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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the internal market for electricity (recast)

Delegations will find in the Annex the four column document concerning the abovementioned proposal.

ANNEX

Proposal for a
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
on the internal market for electricity
(recast)

COMISSION PROPOSAL **(COD 2016/0379 - doc. 15135/1/16 REV 1 + ADD 1 REV 1)**	**EP PLENARY TEXT**	**COUNCIL GENERAL APPROACH (doc.)**	**Compromise proposals**
THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION, Having regard to the Treaty on the Functioning of the European Union, and in particular Article 194 (2) thereof, Having regard to the proposal from the European Commission, After transmission of the draft legislative act to the national parliaments, Having regard to the opinion of the European Economic and Social Committee, Having regard to the opinion of the Committee of the Regions, Acting in accordance with the ordinary legislative procedure, Whereas:		THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION, Having regard to the Treaty on the Functioning of the European Union, and in particular Article 194 (2) thereof, Having regard to the proposal from the European Commission, After transmission of the draft legislative act to the national parliaments, Having regard to the opinion of the European Economic and Social Committee, Having regard to the opinion of the Committee of the Regions, Acting in accordance with the ordinary legislative procedure, Whereas:	

(1) Regulation (EC) No 714/2009 of the European Parliament and of the Council has been substantially amended several times. Since further amendments are to be made, that Regulation should be recast in the interests of clarity.		(1) Regulation (EC) No 714/2009 of the European Parliament and of the Council[1] has been substantially amended several times. Since further amendments are to be made, that Regulation should be recast in the interests of clarity.	
(2) The Energy Union aims at providing consumers – household and business – secure, sustainable, competitive and affordable energy. Historically, the electricity system was dominated by vertically integrated, often publicly owned, monopolies with large centralised nuclear or fossil fuel power plants. The internal market in electricity, which has been progressively implemented since 1999, aims to deliver a real choice for all consumers in the Union , both citizens and businesses, new business opportunities and more cross-border trade, so as to achieve efficiency gains, competitive prices and higher standards of service, and to contribute to security of supply and sustainability. The internal market in electricity has increased competition, in particular at the wholesale level, and cross-border trade. It remains the foundation of an efficient energy market.		(2) The Energy Union aims at providing consumers – household and business – **with safe**, secure, sustainable, competitive and affordable energy. Historically, the electricity system was dominated by vertically integrated, often publicly owned, monopolies with large centralised nuclear or fossil fuel power plants. The internal market in electricity, which has been progressively implemented since 1999, aims to deliver a real choice for all consumers in the Union , both citizens and businesses, new business opportunities and more cross-border trade, so as to achieve efficiency gains, competitive prices and higher standards of service, and to contribute to security of supply and sustainability. The internal market in electricity has increased competition, in particular at the wholesale level, and cross-border trade. It remains the foundation of an efficient energy market.	

[1] Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003 (OJ L 211, 14.8.2009, p. 15).

(3) Europe's energy system is in the middle of its most profound change in decades and the electricity market is at the heart of that change. The common goal to decarbonise the energy system creates new opportunities and challenges for market participants. At the same time, technological developments allow for new forms of consumer participation and cross-border cooperation.		(3) Europe's energy system is in the middle of its most profound change in decades and the electricity market is at the heart of that change. **[ ] This change creates and facilitates** new opportunities and challenges for market participants. At the same time, technological developments allow for new forms of consumer participation and cross-border cooperation.	
		(3a) This Regulation is establishing rules to ensure the functioning of the internal energy market while integrating a limited number of requirements related to the development of renewable forms of energy and environmental policy, in particular specific rules for certain renewable power generating facilities, concerning balancing responsibility, dispatch and redispatch as well as a threshold for CO2 emissions of new generation capacity where it is subject to a capacity mechanism.	
(4) State interventions, often designed in an uncoordinated manner, have led to increasing distortions of the wholesale electricity market, with negative consequences for investments and cross-border trade.		(4) State interventions, often designed in an uncoordinated manner, have led to increasing distortions of the wholesale electricity market, with negative consequences for investments and cross-border trade.	

(5) In the past, electricity customers were purely passive, often buying electricity at regulated prices which had no direct relation to the market. In the future, customers need to be enabled to fully participate in the market on equal footing with other market participants. To integrate growing shares of renewable energy, the future electricity system should make use of all available sources of flexibility, particularly demand response and storage. To achieve effective decarbonisation at lowest cost, it also needs to encourage energy efficiency.	**AM 1** (5) In the past, electricity customers were purely passive, often buying electricity at regulated prices which had no direct relation to the market. In the future, customers need to be enabled to fully participate in the market on equal footing with other market participants ***and be empowered to manage their energy consumption***. To integrate growing shares of renewable energy, the future electricity system should make use of all available sources of flexibility, particularly demand ***side solutions*** and storage***, and of digitalisation through the integration of innovative technologies with the electricity system***. To achieve effective decarbonisation at lowest cost, it also needs to encourage energy efficiency. ***The achievement of the internal energy market through the effective integration of renewable energy can drive investments in the long term and can contribute to delivering the objectives of the Energy Union and the 2030 climate and energy framework.***	(5) In the past, electricity customers were purely passive, often buying electricity at regulated prices which had no direct relation to the market. In the future, customers need to be enabled to fully participate in the market on equal footing with other market participants. To integrate growing shares of renewable energy, the future electricity system should make use of all available sources of flexibility, particularly demand response and storage. **[ ]** **I**t also needs to encourage energy efficiency.	

(6) More market integration and the change towards a more volatile electricity production requires increased efforts to coordinate national energy policies with neighbours and to use the opportunities of cross-border electricity trade.		(6) More market integration and the change towards a more volatile electricity production requires increased efforts to coordinate national energy policies with neighbours and to use the opportunities of cross-border electricity trade.	
(7) Regulatory frameworks have developed, allowing electricity to be traded across the Union. That development has been supported by the adoption of several network codes and guidelines for the integration of the electricity markets. Those network codes and guidelines contain provisions on market rules, system operation and network connection. To ensure full transparency and increase legal certainty, the main principles of market functioning and capacity allocation in the balancing, intraday, day ahead and forward market timeframes should also be adopted pursuant to the ordinary legislative procedure and incorporated in a single act.		(7) Regulatory frameworks have developed, allowing electricity to be traded across the Union. That development has been supported by the adoption of several network codes and guidelines for the integration of the electricity markets. Those network codes and guidelines contain provisions on market rules, system operation and network connection. To ensure full transparency and increase legal certainty, the main principles of market functioning and capacity allocation in the balancing, intraday, day ahead and forward market timeframes should also be adopted pursuant to the ordinary legislative procedure and incorporated in a single act.	

		(7a) The Balancing Guideline establishes in its Article 13 a process where transmission system operators are able to delegate all or part of their tasks to a third party. The delegating transmission system operators should remain responsible for ensuring compliance with the obligations in this Regulation. Likewise, Member States should be able to assign tasks and obligations to a third party. Such assignment should be limited to tasks and obligations executed at national level (such as imbalance settlement). The limitations to the assignment should not lead to unnecessary changes to the existing national arrangements. However, transmission system operators should remain responsible for the tasks entrusted to them pursuant to Article 40 of the [recast Electricity Directive].	
		(7b) The Balancing Guideline established in its Articles 18, 30 and 32 that the pricing method for standard and specific products for balancing energy should create positive incentives for market participants in keeping and/or helping to restore the system balance of their imbalance price area, reduce system imbalances and costs for society. Such pricing	

		approach should strive for an economically efficient use of demand response and other balancing resources subject to operational security limits. The pricing method used in the procurement of balancing capacity should strive for an economically efficient use of demand response and other balancing resources subject to operational security limits.	
		(7c) The integration of balancing energy markets should facilitate the efficient functioning of the intraday market in order to provide the possibility for market participants to balance themselves as close as possible to real time as set with the balancing energy gate closure times defined in Article 24 of the Balancing Guideline. Only the imbalances remaining after the end of the intraday market should be balanced by transmission system operators with the balancing market. The Balancing Guideline foresees in its Article 53 the harmonisation of the imbalance settlement period to 15 minutes in Europe. Such harmonisation should support intraday trading and foster the development of a number of trading products with same delivery windows.	

		(7d) In order to enable transmission system operators to procure and use balancing capacity in an efficient, economic and market-based manner, there is a need to foster market integration. In this regard, the Balancing Guidelines established in its Title IV three methodologies through which transmission system operators may allocate cross-zonal capacity for the exchange of balancing capacity and sharing of reserves, when supported on the basis of a cost-benefit analysis: the co-optimisation process, the market-based allocation process and the allocation based on an economic efficiency analysis. The co-optimisation allocation process should be performed on a day-ahead basis whereas the market-based allocation process could be performed where the contracting is done not more than one week in advance of the provision of the balancing capacity and the allocation based on an economic efficiency analysis where the contracting is done more than one week in advance of the provision of the balancing capacity on the conditions that the volumes allocated are limited and that an assessment is done every year. Once	

		a methodology for the allocation process of cross-zonal capacity is approved by the relevant regulatory authorities, early application of the methodology by two or more transmission system operators could take place to gain experience and allow for a smooth application by more transmission system operators in the future. The application of such a methodology, where existing, should nevertheless be harmonised by all transmission system operators in order to foster market integration.	
		(7e) The Balancing Guideline establishes in its Title V that the general objective of imbalance settlement is to ensure that balance responsible parties support the system's balance in an efficient way and to incentivise market participants in keeping and/or helping to restore the system balance. To make balancing markets and the overall energy system fit for the integration of increasing shares of variable renewables, imbalance prices should reflect the real-time value of energy.	

		(7f) The guideline on capacity allocation and congestion management sets out detailed guidelines on cross-zonal capacity allocation and congestion management in the day-ahead and intraday markets, including the requirements for the establishment of common methodologies for determining the volumes of capacity simultaneously available between bidding zones, criteria to assess efficiency and a review process for defining bidding zones. Articles 32 and 34 set out rules on review of bidding zone configuration, Articles 41 and 54 set out harmonised limits on maximum and minimum clearing prices for day-ahead and intraday timeframes, Article 59 sets out rules on intraday cross-zonal gate closure times, whereas Article 74 of the guideline sets out rules on redispatching and countertrading cost sharing methodologies.	
		(7g) The guideline on forward capacity allocation sets out detailed rules on cross-zonal capacity allocation in the forward markets, on the establishment of a common methodology to determine long-term cross-zonal capacity, on the establishment of a single allocation platform at European level offering long-term transmission rights, and	

		on the possibility to return long-term transmission rights for subsequent forward capacity allocation or transfer long-term transmission rights between market participants. Article 30 of the guideline sets out rules on forward hedging products.	
		(7h) The network code on requirements for generators[2] sets out the requirements for grid connection of power-generating facilities, namely synchronous power-generating modules, power park modules and offshore power park modules, to the interconnected system. It, therefore, helps to ensure fair conditions of competition in the internal electricity market, to ensure system security and the integration of renewable electricity sources, and to facilitate Union-wide trade in electricity. Articles 66 and 67 of the network code set out rules for emerging technologies in electricity generation.	
(8) Core market principles should set out that electricity prices are to be determined through demand and supply. Those prices should signal when electricity is needed, providing market-based incentives for investments into flexibility sources		(8) Core market principles should set out that electricity prices are to be determined through demand and supply. Those prices should signal when electricity is needed, providing market-based incentives for investments into flexibility sources	

[2] Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators.

such as flexible generation, interconnection, demand response or storage.		such as flexible generation, interconnection, demand response or storage.	
(9) The decarbonisation of the electricity sector, with renewable energy becoming a major part of the market, is a core objective of the Energy Union. As the Union moves towards the decarbonisation of the electricity sector and increasing penetration of renewable energy sources, it is crucial that the market removes existing barriers to cross-border trade and encourages investments into supporting infrastructure, for example, more flexible generation, interconnection, demand response and storage. To support this shift to variable and distributed generation, and to ensure that energy market principles are the basis for the Union's electricity markets of the future, a renewed focus on short-term markets and scarcity pricing is essential.		(9) **While** decarbonisation of the electricity sector, with renewable energy becoming a major part of the market, **is one of the goals of the Energy Union [ ]** it is crucial that the market removes existing barriers to cross-border trade and encourages investments into supporting infrastructure, for example, more flexible generation, interconnection, demand response and storage. To support this shift to variable and distributed generation, and to ensure that energy market principles are the basis for the Union's electricity markets of the future, a renewed focus on short-term markets and scarcity pricing is essential.	

(10) Short-term markets will improve liquidity and competition by enabling more resources to participate fully in the market, especially those that are more flexible. Effective scarcity pricing will encourage market participants to be available when the market most needs it and ensures that they can recover their costs in the wholesale market. It is therefore critical to ensure that, as far as possible, administrative and implicit price caps are removed to allow scarcity prices to increase up to the value of lost load. When fully embedded in the market structure, short-term markets and scarcity pricing will contribute to the removal of other measures, such as capacity mechanisms, to ensure security of supply. At the same time, scarcity pricing without price caps on the wholesale market should not jeopardize the possibility for reliable and stable prices for final customers, in particular households and SMEs.	**AM 2** (10) Short-term markets will improve liquidity and competition by enabling more resources to participate fully in the market, especially those that are more flexible. Effective scarcity pricing will encourage market participants to ***react to market signals and to*** be available when the market most needs it and ensures that they can recover their costs in the wholesale market. It is therefore critical to ensure that administrative and implicit price caps are removed to allow scarcity ***pricing***. When fully embedded in the market structure, short-term markets and scarcity pricing will contribute to the removal of other ***market distortive*** measures, such as capacity mechanisms, to ensure security of supply. At the same time, scarcity pricing without price caps on the wholesale market should not jeopardize the possibility for reliable and stable prices for final customers, in particular households***,*** ***SMEs and industrial consumers***.	(10) Short-term markets will improve liquidity and competition by enabling more resources to participate fully in the market, especially those that are more flexible. Effective scarcity pricing will encourage market participants to be available when the market most needs it and ensures that they can recover their costs in the wholesale market. It is therefore critical to ensure that, as far as possible, administrative and implicit price caps are removed to allow scarcity prices to increase up to the value of lost load. When fully embedded in the market structure, short-term markets and scarcity pricing will contribute to the removal of other measures, such as capacity mechanisms, to ensure security of supply. At the same time, scarcity pricing without price caps on the wholesale market should not jeopardize the possibility for reliable and stable prices for final customers, in particular households and SMEs.	

(11) Derogations to fundamental market principles such as balancing responsibility, market-based dispatch, or curtailment and redispatch reduce flexibility signals and act as barriers to the development of solutions such as storage, demand response or aggregation. While derogations are still necessary to avoid unnecessary administrative burden for certain actors, in particular households and SMEs, broad derogations covering entire technologies are not consistent with the objective of achieving market-based and efficient decarbonisation and should thus be replaced by more targeted measures.		(11) **Subject to Union State aid rules pursuant to Articles 107, 108 and 109** derogations to fundamental market principles such as balancing responsibility, market-based dispatch, or **[ ]** redispatch reduce flexibility signals and act as barriers to the development of solutions such as storage, demand response or aggregation. While derogations are still necessary to avoid unnecessary administrative burden for certain actors, in particular households and SMEs, broad derogations covering entire technologies are not consistent with the **[ ] aim** of achieving market-based and efficient decarbonisation **process** and should thus be replaced by more targeted measures.	
(12) The precondition for effective competition in the internal market in electricity is non-discriminatory and transparent charges for network use including interconnecting lines in the transmission system. The available capacity of those lines should be set at the maximum levels consistent with the safety standards of secure network operation.	**AM 3** (12) The precondition for effective competition in the internal market in electricity is non-discriminatory**,** transparent ***and adequate*** charges for network use including interconnecting lines in the transmission system. The available capacity of those lines should be set at the maximum levels consistent with the safety standards of secure network operation.	(12) The precondition for effective competition in the internal market in electricity is non-discriminatory and transparent charges for network use including interconnecting lines in the transmission system. **Uncoordinated curtailments of interconnector capacities increasingly limit the exchange of electricity between Member States and have become a serious obstacle to the development of a functioning internal market in electricity.** The available capacity of **[ ] interconnectors** should **therefore** be set at the maximum level consistent with the safety standards of	

		secure network operation **including respecting (n-1) security**. **However, there are some limitations to setting the capacity level in a meshed grid. The level of unscheduled flows should not go beyond what could be expected in a bidding zone without structural congestions. Further, foreseeable problems for ensuring grid security might occur, for example in case of grid maintenance. Also case-by-case grid security issues might occur. Limitations beyond that level can only be accepted for a limited transitional phase which is necessary to adapt the current physical situation in the grids to use the maximum capacity of the interconnectors. The new target benchmark, and if applicable, the linear trajectory towards this level, should ensure that a minimum share of the interconnector capacity is being available for trade or used in the capacity calculation respectively. Loop flows should only be taken into account for calculating capacity to the extent that they would exist without internal congestion. Whereas certain clearly circumscribed limitations in cross-zonal capacity may be justifiable, a clear minimum threshold needs to be put in place,**	

		preventing excessive use of derogation possibilities and giving a predictable capacity value for market participants. Where a flow-based approach is used, this threshold should determine the minimum share of the thermal capacity of an interconnector to be used as an input for coordinated capacity allocation under the capacity calculation and congestion management guideline.	
(13) It is important to avoid distortion of competition resulting from the differing safety, operational and planning standards used by transmission system operators in Member States. Moreover, there should be transparency for market participants concerning available transfer capacities and the security, planning and operational standards that affect the available transfer capacities.		(13) It is important to avoid distortion of competition resulting from the differing safety, operational and planning standards used by transmission system operators in Member States. Moreover, there should be transparency for market participants concerning available transfer capacities and the security, planning and operational standards that affect the available transfer capacities.	
(14) To efficiently steer necessary investments, prices also need to provide signals where electricity is most needed. In a zonal electricity system, correct locational signals require a coherent, objective and reliable determination of bidding zones via a transparent process. In order to ensure efficient operation and planning of the Union electricity network and to provide effective		(14) To efficiently steer necessary investments, prices also need to provide signals where electricity is most needed. In a zonal electricity system, correct locational signals require a coherent, objective and reliable determination of bidding zones via a transparent process. In order to ensure efficient operation and planning of the Union electricity network and to provide effective price	

price signals for new generation capacity, demand response or transmission infrastructure, bidding zones should reflect structural congestion. In particular, cross-zonal capacity should not be reduced in order to resolve internal congestion.		signals for new generation capacity, demand response or transmission infrastructure, bidding zones should reflect structural congestion. In particular, cross-zonal capacity should not be reduced in order to resolve internal congestion.	
		(14a) To reflect the divergent principles of optimising bidding zones without jeopardizing liquid markets and grid investments two options should be foreseen to overcome congestions. Member States can choose between a bidding zone split or measures such as grid reinforcement and grid optimisation. The starting point for such a decision should be the identification of long term structural congestions either by the transmission system operator of a Member State or by the bidding zone review. Member States should try to find a common solution first on how to best address congestions. In that course the Member States might adopt multinational or national action plans to overcome congestions. At the end of the implementation of this action plan, Member States should have a possibility to choose whether to opt for a split or whether to opt for covering remaining congestions with remedial actions for which they bear the costs. In the latter	

		case they shall not be split against their will, as long as the level of minimum capacity benchmark is reached. The minimum level of capacity that should be used in capacity calculation should be a percentage of the capacity of a critical network element after respecting operational security limits in contingency situation and taking account of the reliability margin. The capacity of the critical network elements should not take into account internal congestions or flows leaving and entering the same bidding zones without being scheduled. A Commission decision on the bidding zone configuration should be possible as a measure of last resort and only amend the bidding zone configuration in those Member States which have opted for a split or which have not reached the minimum level of the benchmark. For Member States adopting an action plan to overcome congestions with measures, a phase-in period for the opening of interconnectors should apply. To this end, Member State should agree on a linear trajectory the starting point of which is the capacity allocated at this border before the implementation of the action plan.	

(15) Efficient decarbonisation of the electricity system via market integration requires systematically abolishing barriers to cross-border trade to overcome market fragmentation and to allow Union energy customers to fully benefit from the advantages of integrated electricity markets and competition.		(15) Efficient **[ ]** market integration requires systematically abolishing barriers to cross-border trade to overcome market fragmentation and to allow Union energy customers to fully benefit from the advantages of integrated electricity markets and competition.	
(16) This Regulation should lay down basic principles with regard to tarification and capacity allocation, whilst providing for the adoption of guidelines detailing further relevant principles and methodologies, in order to allow rapid adaptation to changed circumstances.		(16) This Regulation should lay down basic principles with regard to tarification and capacity allocation, whilst providing for the adoption of guidelines detailing further relevant principles and methodologies, in order to allow rapid adaptation to changed circumstances.	
(17) The management of congestion problems should provide correct economic signals to transmission system operators and market participants and should be based on market mechanisms.		(17) The management of congestion problems should provide correct economic signals to transmission system operators and market participants and should be based on market mechanisms.	
(18) In an open, competitive market, transmission system operators should be compensated for costs incurred as a result of hosting cross-border flows of electricity on their networks by the operators of the transmission systems from which cross-border flows originate and the systems where those flows end.		(18) In an open, competitive market, transmission system operators should be compensated for costs incurred as a result of hosting cross-border flows of electricity on their networks by the operators of the transmission systems from which cross-border flows originate and the systems where those flows end.	

(19) Payments and receipts resulting from compensation between transmission system operators should be taken into account when setting national network tariffs.		(19) Payments and receipts resulting from compensation between transmission system operators should be taken into account when setting national network tariffs.	
(20) The actual amount payable for cross-border access to the system can vary considerably, depending on the transmission system operator involved and as a result of differences in the structure of the tarification systems applied in Member States. A certain degree of harmonisation is therefore necessary in order to avoid distortions of trade.		(20) The actual amount payable for cross-border access to the system can vary considerably, depending on the transmission system operator involved and as a result of differences in the structure of the tarification systems applied in Member States. A certain degree of harmonisation is therefore necessary in order to avoid distortions of trade.	
(21) There should be rules on the use of revenues flowing from congestion-management procedures, unless the specific nature of the interconnector concerned justifies an exemption from those rules.		(21) There should be rules on the use of revenues flowing from congestion-management procedures, unless the specific nature of the interconnector concerned justifies an exemption from those rules.	
(22) To provide for a level playing field between all market participants, network tariffs should be applied in a way which does not discriminate between production connected at the distribution-level with regard to the production connected at the transmission level, either positively or negatively. They should not discriminate against energy storage, and should not create disincentives for participation in demand response or represent an obstacle to improvements in energy efficiency.		(22) To provide for a level playing field between all market participants, network tariffs should be applied in a way which does not discriminate between production connected at the distribution-level with regard to the production connected at the transmission level, either positively or negatively. They should not discriminate against energy storage, and should not create disincentives for participation in demand response or represent an obstacle to improvements in energy efficiency.	

(23) In order to increase transparency and comparability in tariff-setting where binding harmonization is not seen as adequate, recommendations on tariff methodologies should be issued by the European Agency for the Cooperation of Energy Regulators established by [recast of Regulation (EC) No 713/2009 as proposed by COM(2016) 863/2] ("the Agency").		(23) In order to increase transparency and comparability in tariff-setting where binding harmonization is not seen as adequate, **[ ] best practice report** on tariff methodologies should be issued by the European Agency for the Cooperation of Energy Regulators established by [recast of Regulation (EC) No 713/2009 as proposed by COM(2016) 863/2] ("the Agency").	
(24) To better ensure optimum investment in the trans-European grid and address the challenge where viable interconnection projects cannot be built for lack of prioritisation at national level, the use of congestion rents should be reconsidered and only allowed in order to guarantee availability and maintain or increase interconnection capacities.		(24) To better ensure optimum investment in the trans-European grid and address the challenge where viable interconnection projects cannot be built for lack of prioritisation at national level, the use of congestion rents should be reconsidered and **contribute [ ]** to guarantee availability and maintain or increase interconnection capacities.	
(25) In order to ensure optimal management of the electricity transmission network and to allow trading and supplying electricity across borders in the Union , a European Network of Transmission System Operators for Electricity (the ENTSO for Electricity), should be established. The tasks of the ENTSO for Electricity should be carried out in compliance with Union's competition rules which remain applicable to the decisions of the		(25) In order to ensure optimal management of the electricity transmission network and to allow trading and supplying electricity across borders in the Union, a European Network of Transmission System Operators for Electricity (the ENTSO for Electricity), should be established. The tasks of the ENTSO for Electricity should be carried out in compliance with Union's competition rules which remain applicable to the decisions of the ENTSO for	

ENTSO for Electricity. The tasks of the ENTSO for Electricity should be well-defined and its working method should ensure efficiency, transparency and the representative nature of the ENTSO for Electricity. The network codes prepared by the ENTSO for Electricity are not intended to replace the necessary national network codes for non-cross-border issues. Given that more effective progress may be achieved through an approach at regional level, transmission system operators should set up regional structures within the overall cooperation structure, whilst ensuring that results at regional level are compatible with network codes and non-binding ten-year network development plans at Union level. Member States should promote cooperation and monitor the effectiveness of the network at regional level. Cooperation at regional level should be compatible with progress towards a competitive and efficient internal market in electricity.		Electricity. The tasks of the ENTSO for Electricity should be well-defined and its working method should ensure efficiency, transparency and the representative nature of the ENTSO for Electricity. The network codes prepared by the ENTSO for Electricity are not intended to replace the necessary national network codes for non-cross-border issues. Given that more effective progress may be achieved through an approach at regional level, transmission system operators should set up regional structures within the overall cooperation structure, whilst ensuring that results at regional level are compatible with network codes and non-binding ten-year network development plans at Union level. Member States should promote cooperation and monitor the effectiveness of the network at regional level. Cooperation at regional level should be compatible with progress towards a competitive and efficient internal market in electricity.	

(26) A robust medium to long-term Union level resource adequacy assessment should be carried out by the ENTSO for Electricity to provide an objective basis for the assessment of adequacy concerns. The resource adequacy concern that capacity mechanisms address should be based on the EU assessment.	**AM 4** (26) A robust ***methodology for the*** long-term Union level resource adequacy assessment should be carried out by the ENTSO for Electricity to provide an objective basis for the assessment of adequacy concerns ***at the Union, regional and Member State level and the biding zone levels***. The resource adequacy concern that capacity mechanisms address should be based on the EU assessment. ***Capacity mechanisms should be allowed to be introduced only if the Union level resource adequacy assessment, conducted by the ENTSO-E, has identified adequacy concerns or if a positive decision concerning the implementation plan has been received from the Commission.***	(26) A robust medium to long-term Union level resource adequacy assessment should be carried out by the ENTSO for Electricity to provide an objective basis for the assessment of adequacy concerns. **In order to provide this objective basis for all types of capacity mechanisms, the resource adequacy assessment shall reflect in its scenarios and sensitivities the different types of capacity mechanisms.** The resource adequacy concern that capacity mechanisms address should be based on **[ ] a well coordinated national and European resource adequacy assessment**.	
(27) The medium to long-term resource adequacy assessment (from 10 year-ahead to year-ahead) set out in this regulation has a different purpose than the seasonal outlooks (six months ahead) as set out in Article 9 [Regulation on risk preparedness as proposed by COM(2016) 862]. Medium- to long-term assessments are mainly used to assess the need for capacity mechanisms whereas seasonal outlooks are used to alert to risks that might occur in the following six	**AM 5** (27) The ***methodology for the*** long-term resource adequacy assessment (from 10 year-ahead to year-ahead) set out in this regulation has a different purpose than the seasonal outlooks (six months ahead) as set out in Article 9 [Regulation on risk preparedness as proposed by COM(2016) 862]. Medium- to long-term assessments are mainly used to ***identify adequacy concerns*** whereas seasonal outlooks are used to alert to ***short-term*** risks that might occur in	(27) The medium to long-term resource adequacy assessment (from 10 year-ahead to year-ahead) set out in this regulation has a different purpose than the seasonal outlooks (six months ahead) as set out in Article 9 [Regulation on risk preparedness as proposed by COM(2016) 862]. Medium- to long-term assessments are mainly used to assess the need for capacity mechanisms whereas seasonal outlooks are used to alert to risks that might occur in the following six	

months that are likely to result in a significant deterioration of the electricity supply situation. In addition, Regional Operational Centres also carry out regional adequacy assessments as defined in European legislation on electricity transmission system operation. These are very short-term adequacy assessments (from weak-ahead to day-ahead) used in the context of system operation.	the following six months that are likely to result in a significant deterioration of the electricity supply situation. In addition, Regional ***Coordination*** Centres also carry out regional adequacy assessments as defined in European legislation on electricity transmission system operation. These are very short-term adequacy assessments (from weak-ahead to day-ahead) used in the context of system operation.	months that are likely to result in a significant deterioration of the electricity supply situation. In addition, **[ ] Regional Security Coordinators** also carry out regional adequacy assessments as defined in European legislation on electricity transmission system operation. These are very short-term adequacy assessments (from weak-ahead to day-ahead) used in the context of system operation.	
(28) Prior to introducing capacity mechanisms, Member States should assess regulatory distortions contributing to the related resource adequacy concern. They should be required to adopt measures to eliminate the identified distortions including a timeline for their implementation. Capacity mechanisms should only be introduced for the residual concerns that cannot be addressed through removing such distortions.		(28) Prior to introducing capacity mechanisms, Member States should assess regulatory distortions contributing to the related resource adequacy concern. They should be required to adopt measures to eliminate the identified distortions including a timeline for their implementation. Capacity mechanisms should only be introduced for the **[ ]** concerns that cannot be addressed through removing such distortions.	
	AM 6 ***(28a) Member States should introduce capacity mechanisms only as a last resort, where adequacy concerns cannot be addressed through the removal of existing market distortions. Before introducing a capacity mechanism which operates within the electricity market and therefore is market-***		

	distortive, Member States should evaluate whether strategic reserves would be sufficient to address their adequacy concerns. Strategic reserves are less distortive since they operate only outside the market and only in rare cases when markets can no longer clear. Strategic reserves can avoid financial consequences to market operators that cannot fulfil their balancing responsibilities and that would consequently bear significant cost.		
(29) Member States intending to introduce capacity mechanisms should derive resource adequacy targets following a transparent and verifiable process. Member States should have the freedom to set their own desired level of security of supply.		(29) Member States intending to introduce capacity mechanisms should derive resource adequacy targets following a transparent and verifiable process. Member States should have the freedom to set their own desired level of security of supply.	
(30) Main principles of capacity mechanisms should be laid down, building on the environmental and energy State aid principles and the findings of DG Competition's Sector Inquiry on capacity mechanisms. Capacity mechanisms already in place should be reviewed in light of these principles. In case the European resource adequacy assessment reveals the absence of any adequacy concern, no new capacity mechanism should be established and no new capacity commitments under		(30) Main principles of capacity mechanisms should be laid down. Capacity mechanisms already in place should be reviewed in light of these principles. In case the European **and the national** resource adequacy assessment reveals the absence of any adequacy concern, no new capacity mechanism should be established and no new capacity commitments under mechanisms already in place should be made. The application of the State aid control rules pursuant to Articles 107 to 109 TFUE must be complied with at all times.	

mechanisms already in place should be made. The application of the State aid control rules pursuant to Articles 107 to 109 TFUE must be complied with at all times.			
(31) Detailed rules for facilitating effective cross-border participation in capacity mechanisms other than reserve schemes should be laid down. Transmission system operators across the borders should facilitate interested generators wanting to participate in capacity mechanisms in other Member States. Therefore, they should calculate capacities up to which cross-border participation would be possible, enable participation and check availabilities. National regulatory authorities should enforce the cross-border rules in the Member States.	**AM 7** (31) Detailed rules for facilitating effective cross-border participation in capacity mechanisms other than ***strategic reserves*** should be laid down ***in this Regulation***. Transmission system operators across the borders should facilitate ***the participation of*** interested generators in capacity mechanisms in other Member States. Therefore, they should calculate capacities up to which cross-border participation would be possible, enable participation and check availabilities. National regulatory authorities should enforce the cross-border rules in the Member States.	(31) Detailed rules for facilitating effective cross-border participation in capacity mechanisms other than reserve schemes should be laid down. Transmission system operators across the borders should facilitate interested generators wanting to participate in capacity mechanisms in other Member States. Therefore, they should calculate capacities up to which cross-border participation would be possible, enable participation and check availabilities. **[ ] R**egulatory authorities should enforce the cross-border rules in the Member States.	
(32) In view of differences in national energy systems and technical limitations of existing electricity networks, the best approach to achieving progress in market integration will often be at a regional level. Regional cooperation of transmission system operators should thus be strengthened. In order to ensure efficient cooperation, a new regulatory framework should foresee stronger regional governance and regulatory oversight, including by strengthening the decision-making		(32) In view of differences in national energy systems and technical limitations of existing electricity networks, the best approach to achieving progress in market integration will often be at a regional level. Regional cooperation of transmission system operators should thus be strengthened. In order to ensure efficient cooperation, a new regulatory framework should foresee stronger regional governance and regulatory oversight, including by	

power of the Agency for cross-border issues. Closer cooperation of Member States could be needed also in crisis situations, to increase security of supply and limit market distortions.		strengthening the decision-making power of the Agency for cross-border issues. Closer cooperation of Member States could be needed also in crisis situations, to increase security of supply and limit market distortions.	
(33) The coordination between transmission system operators at regional level has been formalised with the mandatory participation of transmission system operators in regional security coordinators, which should be complemented by an enhanced institutional framework via the establishment of regional operational centres. The creation of regional operational centres should take into account existing regional coordination initiatives and support the increasingly integrated operation of electricity systems across the Union, ensuring their efficient and secure performance.		(33) The coordination between transmission system operators at regional level has been formalised with the mandatory participation of transmission system operators in regional security coordinators, which should be **[ ] further developed and** support the increasingly integrated operation of electricity systems across the Union, ensuring their efficient and secure performance.	
(34) The geographical scope of regional operational centres should allow them to play an effective coordination role by optimising the operations of transmission system operators over larger regions.		(34) The geographical scope of **[ ] Regional Security Coordinators** should allow them to play an effective **contribution to the** coordination **of [ ]** the operations of transmission system operators over **[ ]** regions **and lead to enhanced system security and market efficiency. Regional Security Coordinators should have the flexibility to carry out the tasks in the region as best adapted to the nature of the individual tasks entrusted to them.**	

(35) Regional operational centres should carry out functions where their regionalisation brings added value compared to functions performed at national level. The functions of regional operational centres should cover the functions carried out by regional security coordinators as well as additional system operation, market operation and risk preparedness functions. The functions carried out by regional operational centres should exclude real time operation of the electricity system.	**AM 8** (35) Regional ***coordination*** centres should carry out functions where their regionalisation brings added value compared to functions performed at national level. The functions of regional operational centres should cover the functions carried out by regional security coordinators as well as additional functions ***with regional importance***. The functions carried out by regional ***coordination*** centres should exclude real time operation of the electricity system.	(35) **[ ] Regional Security Coordinators should fulfil tasks** where their regionalisation brings added value compared to functions performed at national level. The **[ ] tasks** of **[ ] Regional Security Coordinators** should cover the functions carried out by regional security coordinators **pursuant to the System Operation Guideline**[3] as well as additional system operation, market operation and risk preparedness functions. The **[ ] tasks** carried out by **[ ] Regional Security Coordinators** should exclude real time operation of the electricity system.	
	AM 9 ***(35 a) In performing their functions, regional coordination centres shall contribute to the achievement of the 2030 and 2050 objectives set out in the climate and energy policy framework.***		

[3] Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (OJ L 220, 25.8.2017, p. 1).

(36) Regional operational centres should primarily act in the interest of system and market operation of the region over the interests of any single entity. Hence, regional operational centres should be entrusted with decision-making powers to act and to direct actions to be taken by transmission system operators of the system operation region for certain functions and with an enhanced advisory role for the remaining functions.		(36) **[ ] Regional Security Coordinators** should primarily act in the interest of system and market operation of the region over the interests of any single entity. Hence, **[ ] Regional Security Coordinators** should be entrusted with **[ ]** powers **necessary** to **support [ ]** actions to be taken by transmission system operators of the system operation region for certain functions and with an enhanced advisory role for the remaining functions.	
(37) ENTSO for Electricity should ensure that the actions of regional operational centres are coordinated across the regions' boundaries.		(37) ENTSO for Electricity should ensure that the actions of **[ ] Regional Security Coordinators** are coordinated across the regions' boundaries.	
(38) In order to raise efficiencies in the electricity distribution networks in the Union and ensure close cooperation with transmission system operators and ENTSO for electricity, a European entity of distribution system operators in the Union ("EU DSO entity") should be established. The tasks of the EU DSO entity should be well-defined and its working method should ensure efficiency, transparency and representativeness amongst the Union distribution system operators. The EU DSO Entity should closely cooperate with ENTSO for Electricity on the preparation and		(38) In order to raise efficiencies in the electricity distribution networks in the Union and ensure close cooperation with transmission system operators and ENTSO for electricity, a European entity of distribution system operators in the Union ("EU DSO entity") should be established. The tasks of the EU DSO entity should be well-defined and its working method should ensure efficiency, transparency and representativeness amongst the Union distribution system operators. The EU DSO Entity should closely cooperate with ENTSO for Electricity on the preparation and implementation of the	

implementation of the network codes where applicable and should work on providing guidance on the integration inter alia of distributed generation and storage in distribution networks or other areas which relate to the management of distribution networks.		network codes where applicable and should work on providing guidance on the integration inter alia of distributed generation and storage in distribution networks or other areas which relate to the management of distribution networks. **The EU DSO shall also take due consideration of the specificities inherent in distribution systems connected downstream with electricity systems on islands which are not connected with other electricity systems via interconnectors.**	
(39) Increased cooperation and coordination among transmission system operators is required to create network codes for providing and managing effective and transparent access to the transmission networks across borders, and to ensure coordinated and sufficiently forward-looking planning and sound technical evolution of the transmission system in the Union , including the creation of interconnection capacities, with due regard to the environment. Those network codes should be in line with framework guidelines, which are non-binding in nature (framework guidelines) and which are developed by the Agency . The Agency should have a role in reviewing, based on matters of fact, draft network codes, including their compliance with the		(39) Increased cooperation and coordination among transmission system operators is required to create network codes for providing and managing effective and transparent access to the transmission networks across borders, and to ensure coordinated and sufficiently forward-looking planning and sound technical evolution of the transmission system in the Union, including the creation of interconnection capacities, with due regard to the environment. Those network codes should be in line with framework guidelines, which are non-binding in nature (framework guidelines) and which are developed by the Agency. The Agency should have a role in reviewing, based on matters of fact, draft network codes, including their compliance with the	

framework guidelines, and it should be enabled to recommend them for adoption by the Commission. The Agency should assess proposed amendments to the network codes and it should be enabled to recommend them for adoption by the Commission. Transmission system operators should operate their networks in accordance with those network codes.		framework guidelines, and it should be enabled to recommend them for adoption by the Commission. The Agency should assess proposed amendments to the network codes and it should be enabled to recommend them for adoption by the Commission. Transmission system operators should operate their networks in accordance with those network codes.	
(40) To ensure the smooth functioning of the internal market in electricity, provision should be made for procedures which allow the adoption of decisions and guidelines with regard, inter alia, to tarification and capacity allocation by the Commission whilst ensuring the involvement of Member States' regulatory authorities in that process, where appropriate through their European association. Regulatory authorities, together with other relevant authorities in the Member States, have an important role to play in contributing to the proper functioning of the internal market in electricity.		(40) To ensure the smooth functioning of the internal market in electricity, provision should be made for procedures which allow the adoption of decisions and guidelines with regard, inter alia, to tarification and capacity allocation by the Commission whilst ensuring the involvement of Member States' regulatory authorities in that process, where appropriate through their European association. Regulatory authorities, together with other relevant authorities in the Member States, have an important role to play in contributing to the proper functioning of the internal market in electricity.	

(41) All market participants have an interest in the work expected of the ENTSO for Electricity. An effective consultation process is therefore essential and existing structures that are set up to facilitate and streamline the consultation process, such as via national regulators or the Agency, should play an important role.		(41) All market participants have an interest in the work expected of the ENTSO for Electricity. An effective consultation process is therefore essential and existing structures that are set up to facilitate and streamline the consultation process, such as via national regulators or the Agency, should play an important role.	
(42) In order to ensure greater transparency regarding the entire electricity transmission network in the Union, the ENTSO for Electricity should draw up, publish and regularly update a non-binding Union-wide ten-year network development plan (Union-wide network development plan). Viable electricity transmission networks and necessary regional interconnections, relevant from a commercial or security of supply point of view, should be included in that network development plan.		(42) In order to ensure greater transparency regarding the entire electricity transmission network in the Union, the ENTSO for Electricity should draw up, publish and regularly update a non-binding Union-wide ten-year network development plan (Union-wide network development plan). Viable electricity transmission networks and necessary regional interconnections, relevant from a commercial or security of supply point of view, should be included in that network development plan	
(43) Experience with the development and adoption of network codes has shown that it is useful to streamline the development procedure by clarifying that the Agency has the right to revise draft electricity network codes before submitting them to the Commission.		(43) Experience with the development and adoption of network codes has shown that it is useful to streamline the development procedure by clarifying that the Agency has the right to **[ ] approve** draft electricity network codes before submitting them to the Commission.	

(44) Investments in major new infrastructure should be promoted strongly while ensuring the proper functioning of the internal market in electricity. In order to enhance the positive effect of exempted direct current interconnectors on competition and security of supply, market interest during the project-planning phase should be tested and congestion-management rules should be adopted. Where direct current interconnectors are located in the territory of more than one Member State, the Agency should handle as a last resort the exemption request in order to take better account of its cross-border implications and to facilitate its administrative handling. Moreover, given the exceptional risk profile of constructing those exempt major infrastructure projects, undertakings with supply and production interests should be able to benefit from a temporary derogation from the full unbundling rules for the projects concerned. Exemptions granted under Regulation (EC) No 1228/2003[4] continue to apply until the scheduled expiry date as decided in the granted exemption decision.		(44) Investments in major new infrastructure should be promoted strongly while ensuring the proper functioning of the internal market in electricity. In order to enhance the positive effect of exempted direct current interconnectors on competition and security of supply, market interest during the project-planning phase should be tested and congestion-management rules should be adopted. Where direct current interconnectors are located in the territory of more than one Member State, the Agency should handle as a last resort the exemption request in order to take better account of its cross-border implications and to facilitate its administrative handling. Moreover, given the exceptional risk profile of constructing those exempt major infrastructure projects, undertakings with supply and production interests should be able to benefit from a temporary derogation from the full unbundling rules for the projects concerned. Exemptions granted under Regulation (EC) No 1228/2003[5] continue to apply until the scheduled expiry date as decided in the granted exemption decision.	

[4] Regulation (EC) No 1228/2003 of the European Parliament and of the Council of 26 June 2003 on conditions for access to the network for cross-border exchanges in electricity (OJ L 176, 15.7.2003, p. 1).

[5] Regulation (EC) No 1228/2003 of the European Parliament and of the Council of 26 June 2003 on conditions for access to the network for cross-border exchanges in electricity (OJ L 176, 15.7.2003, p. 1).

(45) To enhance trust in the market, its participants need to be sure that those engaging in abusive behaviour can be subject to effective, proportionate and dissuasive penalties. The competent authorities should be given the competence to investigate effectively allegations of market abuse. To that end, it is necessary that competent authorities have access to data that provides information on operational decisions made by supply undertakings. In the electricity market, many relevant decisions are made by the generators, which should keep information in relation thereto available to and easily accessible by the competent authorities for a fixed period of time. The competent authorities should, furthermore, regularly monitor the compliance of the transmission system operators with the rules. Small generators with no real ability to distort the market should be exempt from that obligation.		(45) To enhance trust in the market, its participants need to be sure that those engaging in abusive behaviour can be subject to effective, proportionate and dissuasive penalties. The competent authorities should be given the competence to investigate effectively allegations of market abuse. To that end, it is necessary that competent authorities have access to data that provides information on operational decisions made by supply undertakings. In the electricity market, many relevant decisions are made by the generators, which should keep information in relation thereto available to and easily accessible by the competent authorities for a fixed period of time. The competent authorities should, furthermore, regularly monitor the compliance of the transmission system operators with the rules. Small generators with no real ability to distort the market should be exempt from that obligation.	

(46) The Member States and the competent national authorities should be required to provide relevant information to the Commission. Such information should be treated confidentially by the Commission. Where necessary, the Commission should have an opportunity to request relevant information directly from undertakings concerned, provided that the competent national authorities are informed.		(46) The Member States and the competent national authorities should be required to provide relevant information to the Commission. Such information should be treated confidentially by the Commission. Where necessary, the Commission should have an opportunity to request relevant information directly from undertakings concerned, provided that the competent national authorities are informed.	
(47) Member States should lay down rules on penalties applicable to infringements of the provisions of this Regulation and ensure that they are implemented. Those penalties must be effective, proportionate and dissuasive.		(47) Member States should lay down rules on penalties applicable to infringements of the provisions of this Regulation and ensure that they are implemented. Those penalties must be effective, proportionate and dissuasive.	
(48) Member States and the Energy Community Contracting Parties should closely cooperate on all matters concerning the development of an integrated electricity trading region and should take no measures that endanger the further integration of electricity markets or security of supply of Member States and Contracting Parties.		(48) Member States, **[ ]** the Energy Community Contracting Parties **and other third countries which are applying this Regulation or are part of the synchronous grid of Continental Europe** should closely cooperate on all matters concerning the development of an integrated electricity trading region and should take no measures that endanger the further integration of electricity markets or security of supply of Member States and Contracting Parties.	

(49) In order to ensure the minimum degree of harmonization required for effective market functioning, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of areas which are fundamental for market integration. These should include the geographical area for regional cooperation of transmission system operators, the amount of compensation payments between transmission system operators, the adoption and amendment of network codes and guidelines, as well as the application of exemption provisions for new interconnectors. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016 . In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.		(49) **At the time of adoption of Regulation 714/2009, only few rules for the internal electricity market existed at EU level. Since then, the EU internal market has become more complex due to the fundamental change the markets are undergoing in particular regarding deployment of variable renewable electricity production. Therefore the Network Codes and Guidelines have become extensively comprehensive addressing both technical and general issues.** In order to ensure the minimum degree of harmonization required for effective market functioning, the power to adopt **and amend implementing** acts in accordance with Article 29**1** of the Treaty on the Functioning of the European Union should be **[ ] conferred** to the Commission in respect of **non-essential elements of certain specific** areas which are fundamental for market integration. These should include **[ ]** the adoption and amendment of network codes and guidelines, as well as the application of exemption provisions for new interconnectors. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those	

		consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016[6]. In particular, to ensure equal participation in the preparation of **[ ] implementing** acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of **[ ] implementing** acts.	
		(49a) The empowerment of the Commission to amend network codes and guidelines is limited until 31 December 2027. This interim period shall provide sufficient time for the Commission to carry out a review of the existing network codes and guidelines and if needed propose legislative acts of the Union.	

[6] OJ L 123, 12.5.2016, p. 1.

(50) Since the objective of this Regulation, namely the provision of a harmonised framework for cross-border exchanges of electricity, cannot be sufficiently achieved by the Member States and can therefore be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity, as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective. HAVE ADOPTED THIS REGULATION:		(50) Since the objective of this Regulation, namely the provision of a harmonised framework for cross-border exchanges of electricity, cannot be sufficiently achieved by the Member States and can therefore be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity, as set out in Article 5 of the Treaty on European Union . In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.	
		(51) Market rules should enable the integration of electricity from renewable energy sources and provide incentives for increasing energy efficiency.	
		(52) For reasons of coherence and legal certainty, nothing in this Regulation should prevent the application of the derogations emerging from [Article 66] of [Electricity Directive].	

		(53) With regard to balancing markets, efficient and non-distortive price formation in the procurement of balancing capacity and balancing energy requires that balancing capacity does not set the price for balancing energy. This is without prejudice for the dispatching systems using an integrated scheduling process according to the Commission Regulation (EU) 2017/XXXX [Balancing]. HAVE ADOPTED THIS REGULATION:	

Chapter I **Subject matter, scope and definitions**			
Article 1 *Subject-matter and scope*			
This Regulation aims at: (a) setting the basis for an efficient achievement of the objectives of the European Energy Union and in particular the climate and energy framework for 2030[7] by enabling market signals to be delivered for increased flexibility, decarbonisation and innovation;	**AM 10** (a) setting the basis for an efficient achievement of the objectives of the European Energy Union and in particular the climate and energy framework for 2030[30] by enabling market signals to be delivered for increased flexibility, ***efficiency,*** decarbonisation***,*** innovation ***and a higher share of renewable energy sources.*** [30] COM/2014/015 final.	This Regulation aims at: (a) setting the basis for an efficient achievement of the objectives of the European Energy Union and in particular the climate and energy framework for 2030[8] by enabling market signals to be delivered for increased **security of supply,** flexibility, **sustainability**, decarbonisation and innovation;	
(b) setting fundamental principles for well-functioning, integrated electricity markets, which allow non-discriminatory market access for all resource providers and electricity customers, empower consumers, enable demand response and energy efficiency, facilitate aggregation of distributed demand and supply, and contribute to the decarbonisation of the economy by enabling market integration and market-based remuneration of electricity generated from renewable sources;	**AM 11** (b) setting fundamental principles for well-functioning ***cross-border***, integrated ***and liquid*** electricity markets, which allow non-discriminatory market access for all resource providers and electricity customers, empower consumers, enable ***competitiveness on the global market,*** demand response***, energy storage*** and energy efficiency, facilitate aggregation of distributed demand and supply, and contribute to the decarbonisation of the economy	(b) setting fundamental principles for well-functioning, integrated electricity markets, which allow non-discriminatory market access for all resource providers and electricity customers, empower consumers, enable demand response and energy efficiency, facilitate aggregation of distributed demand and supply, **[ ] and enable** market integration and market-based remuneration of electricity generated from renewable sources;	

[7] COM/2014/015 final.
[8] COM/2014/015 final.

	by enabling market ***and sectoral*** integration and market-based remuneration of electricity generated from renewable sources;		
(c) setting fair rules for cross-border exchanges in electricity, thus enhancing competition within the internal market in electricity, taking into account the particular characteristics of national and regional markets. This includes the establishment of a compensation mechanism for cross-border flows of electricity and the setting of harmonised principles on cross-border transmission charges and the allocation of available capacities of interconnections between national transmission systems;		(c) setting fair rules for cross-border exchanges in electricity, thus enhancing competition within the internal market in electricity, taking into account the particular characteristics of national and regional markets. This includes the establishment of a compensation mechanism for cross-border flows of electricity and the setting of harmonised principles on cross-border transmission charges and the allocation of available capacities of interconnections between national transmission systems;	
(d) facilitating 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.	**AM 12** (d) facilitating the emergence of a well-functioning***, liquid*** and transparent ***whole sale*** market ***contributing to*** a high level of security of supply in electricity. It provides for mechanisms to harmonise the rules for cross-border exchanges in electricity.	(d) facilitating 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	

Article 2 *Definitions*			
1. For the purpose of this Regulation, the definitions contained in Article 2 of Directive [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2], in Article 2 of Regulation (EU) No 1227/2011 of the European Parliament and of the Council[9], in Article 2 of Commission Regulation (EU) No 543/2013[10] and in Article 2 of [Recast Renewable Energies Directive] apply.		1. For the purpose of this Regulation, the definitions contained in Article 2 of Directive [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2], in Article 2 of Regulation (EU) No 1227/2011 of the European Parliament and of the Council**[11]**, in Article 2 of Commission Regulation (EU) No 543/2013**[12]** and in Article 2 of [Recast Renewable Energies Directive] apply **[**~~with the exception of the definition of 'interconnector' which shall be replaced by the following: 'interconnector' means a transmission line which crosses or spans a border between Member States and which connects the national transmission systems of the Member States.~~**]**	

9 Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 8.12.2011, p. 1).

10 Commission Regulation (EU) No 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council (OJ L 163, 15.6.2013, p. 1).

11 Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 8.12.2011, p. 1).

12 Commission Regulation (EU) No 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council (OJ L 163, 15.6.2013, p. 1).

2. In addition, the following definitions shall apply:		2. In addition, the following definitions shall apply:	
(a) 'regulatory authorities' means the regulatory authorities referred to in Article 57(1) of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2] ;		(a) 'regulatory authorities' means the regulatory authorities referred to in Article 57(1) of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2] ;	
(b) 'cross-border flow' means a physical flow of electricity on a transmission network of a Member State that results from the impact of the activity of producers and/or customers outside that Member State on its transmission network;		(b) 'cross-border flow' means a physical flow of electricity on a transmission network of a Member State that results from the impact of the activity of producers and/or customers outside that Member State on its transmission network;	
(c) 'congestion' means a situation in which all requests from market participants to trade between two bidding zones cannot be accommodated because they would significantly affect the physical flows on network elements which cannot accommodate those flows ;	**AM 13** (c) 'congestion' means a situation in which all requests from market participants to trade **[ ]** cannot be accommodated because they would significantly affect the physical flows on network elements which cannot accommodate those flows ;	(c) 'congestion' means a situation in which all requests from market participants to trade between **[ ] network areas** cannot be accommodated because they would significantly affect the physical flows on network elements which cannot accommodate those flows;	
(d) 'new interconnector' means an interconnector not completed by 4 August 2003;		(d) 'new interconnector' means an interconnector not completed by 4 August 2003;	
(e) 'structural congestion' means congestion in the transmission system that is predictable, is geographically stable over time, and is frequently reoccurring under normal power system conditions;	**AM 14** (e) 'structural congestion' means congestion in the transmission system that is predictable, **[ ]** geographically stable over time, and frequently reoccurring under normal power system conditions;	(e) 'structural congestion' means congestion in the transmission system that **can be unambiguously defined,** is predictable, is geographically stable over time, and is frequently reoccurring under normal power system conditions;	

(f) 'market operator' means an entity that provides a service whereby the offers to sell electricity are matched with bids to buy electricity;		(f) 'market operator' means an entity that provides a service whereby the offers to sell electricity are matched with bids to buy electricity;	
(g) 'nominated electricity market operator' or 'NEMO' means a market operator designated by the competent authority to perform tasks related to single day-ahead or single intraday coupling;		(g) 'nominated electricity market operator' or 'NEMO' means a market operator designated by the competent authority to perform tasks related to single day-ahead or single intraday coupling;	
(h) 'value of lost load' means an estimation in €/MWh, of the maximum electricity price that customers are willing to pay to avoid an outage;		(h) 'value of lost load' means an estimation in €/MWh, of the maximum electricity price that customers are willing to pay to avoid an outage;	
(i) 'balancing' means all actions and processes, in all timelines, through which transmission system operators ensure, in a continuous way, maintenance of the system frequency within a predefined stability range and compliance with the amount of reserves needed with respect to the required quality;		(i) 'balancing' means all actions and processes, in all timelines, through which transmission system operators ensure, in a continuous way, maintenance of the system frequency within a predefined stability range and compliance with the amount of reserves needed with respect to the required quality;	
(j) 'balancing energy' means energy used by transmission system operators to perform balancing;		(j) 'balancing energy' means energy used by transmission system operators to perform balancing;	
(k) 'balancing service provider' means a market participant providing either or both balancing energy and balancing capacity to transmission system operators;		(k) 'balancing service provider' means a market participant providing either or both balancing energy and balancing capacity to transmission system operators;	

(l) 'balancing capacity' means a volume of capacity that a balancing service provider has agreed to hold to and in respect to which the balancing service provider has agreed to submit bids for a corresponding volume of balancing energy to the transmission system operator for the duration of the contract;		(l) 'balancing capacity' means a volume of capacity that a balancing service provider has agreed to hold to and in respect to which the balancing service provider has agreed to submit bids for a corresponding volume of balancing energy to the transmission system operator for the duration of the contract;	
(m) 'balance responsible party' means a market participant or its chosen representative responsible for its imbalances in the electricity market;		(m) 'balance responsible party' means a market participant or its chosen representative responsible for its imbalances in the electricity market;	
(n) 'imbalance settlement period' means the time unit for which the imbalance of the balance responsible parties is calculated;		(n) 'imbalance settlement period' means the time unit for which the imbalance of the balance responsible parties is calculated;	
(o) 'imbalance price' means the price, be it positive, zero or negative, in each imbalance settlement period for an imbalance in each direction;		(o) 'imbalance price' means the price, be it positive, zero or negative, in each imbalance settlement period for an imbalance in each direction;	
(p) 'imbalance price area' means the area in which an imbalance price is calculated;		(p) 'imbalance price area' means the area in which an imbalance price is calculated;	
(q) 'prequalification process' means the process to verify the compliance of a provider of balancing capacity with the requirements set by the transmission system operators;		(q) 'prequalification process' means the process to verify the compliance of a provider of balancing capacity with the requirements set by the transmission system operators;	

(r) 'reserve capacity' means the amount of frequency containment reserves, frequency restoration reserves or replacement reserves that needs to be available to the transmission system operator;		(r) 'reserve capacity' means the amount of frequency containment reserves, frequency restoration reserves or replacement reserves that needs to be available to the transmission system operator;	
(s) 'priority dispatch' means the dispatch of power plants on the basis of criteria different from the economic order of bids and, in central dispatch systems, network constraints, giving priority to the dispatch of particular generation technologies;		(s) 'priority dispatch' means **in self-dispatch model** the dispatch of power plants on the basis of criteria different from the economic order of bids and, in central dispatch **model also from** network constraints, giving priority to the dispatch of particular generation technologies;	
(t) 'capacity calculation region' means the geographic area in which the coordinated capacity calculation is applied;		(t) 'capacity calculation region' means the geographic area in which the coordinated capacity calculation is applied;	
(u) 'capacity mechanism' means an administrative measure to ensure the achievement of the desired level of security of supply by remunerating resources for their availability not including measures relating to ancillary services;	**AM 15** (u) capacity mechanism' means ***temporary*** administrative ***measures taken by Member States to fill the expected resource adequacy gap for electricity supply to match electricity demand by offering additional payments to capacity providers that operate in the electricity market, in addition to income obtained by selling electricity on the market in return for the availability of existing capacity or investment in new capacity to guarantee the necessary*** level of security of supply;	(u) 'capacity mechanism' means an administrative measure **or a market based measure** to ensure the achievement of the desired level of **[ ] resource adequacy** by remunerating resources for their availability not including measures relating to ancillary services **and congestion management** ;	

(v) 'strategic reserve' means a capacity mechanism in which resources are only dispatched in case day-ahead and intraday markets have failed to clear, transmission system operators have exhausted their balancing resources to establish an equilibrium between demand and supply, and imbalances in the market during periods where the reserves were dispatched are settled at the value of lost load;	**AM 16** (v) 'strategic reserve' means a capacity mechanism in which resources ***are held outside the electricity market and*** are only dispatched in case day-ahead and intraday markets have failed to clear, transmission system operators have exhausted their balancing resources to establish an equilibrium between demand and supply, and imbalances in the market during periods where the reserves were dispatched are settled at ***least at technical price limits or at*** the value of lost load;	**[ ]**	
(w) 'high-efficiency cogeneration' means cogeneration meeting the criteria laid down in Annex II of Directive 2012/27/EU of the European Parliament and of the Council[13];		(w) 'high-efficiency cogeneration' means cogeneration meeting the criteria laid down in Annex II of Directive 2012/27/EU of the European Parliament and of the Council[14];	
(x) 'demonstration project' means a project demonstrating a technology as a first of its kind in the Union and representing a significant innovation that goes well beyond the state of the art.		(x) 'demonstration project' means a project demonstrating a technology as a first of its kind in the Union and representing a significant innovation that goes well beyond the state of the art.	

[13] Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

[14] Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

		(y) 'market participant' means a natural or legal person, who is generating, buying or selling electricity, demand response or storage services, including the placing of orders to trade, in one or more electricity markets including balancing energy markets.	
		(z) 'redispatching' means a measure, including curtailment, activated by one or several system operators by altering the generation and/or load pattern in order to change physical flows in the transmission system and relieve a physical congestion.	
		(aa) 'countertrading' means a cross zonal exchange initiated by system operators between two bidding zones to relieve physical congestion.	
		(bb) 'power generating facility' means a facility that converts primary energy into electrical energy and which consists of one or more power generating modules connected to a network.	

		(cc) 'central dispatching model' means a scheduling and dispatching model where the generation schedules and consumption schedules as well as dispatching of power generating facilities and demand facilities, in reference to dispatchable facilities, are determined by a TSO within the integrated scheduling process.	
		(dd) 'standard balancing product' means a harmonised balancing product defined by all TSOs for the exchange of balancing services as set out in the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009.	
		(ee) 'specific balancing product' means a product different from a standard product, the requirements for which are set out in the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009.	

		(ff) 'delegated operator' means an entity to whom specific tasks or obligations entrusted to a transmission system operator or nominated electricity market operator under this Regulation or any other Regulation, Directive, Network Code or Guideline have been delegated by that transmission system operator or nominated electricity market operator or have been assigned by a Member State or Regulatory Authority;	
Chapter II **General rules for the electricity market**			
Article 3 *Principles regarding the operation of electricity markets*			
1. Member States, national regulatory authorities, transmission system operators, distribution system operators, and market operators shall ensure that electricity markets are operated in accordance with the following principles:	**AM 17** 1. Member States, national regulatory authorities, transmission system operators, distribution system operators, market operators ***and third parties to whom responsibilities have been delegated or assigned,*** shall ensure that electricity markets are operated in accordance with the following principles:	1. Member States, national regulatory authorities, transmission system operators, distribution system operators, **[ ]** market operators **and delegated operators** shall ensure that electricity markets are operated in accordance with the following principles:	
(a) prices shall be formed based on demand and supply;		(a) prices shall be formed based on demand and supply.	

(b) actions which prevent price formation on the basis of demand and supply or constitute a disincentive to the development of more flexible generation, low carbon generation, or more flexible demand shall be avoided;	**AM 18** (b) actions which prevent price formation on the basis of demand and supply **[ ]** shall be avoided;	(b) actions which prevent price formation on the basis of demand and supply or constitute a disincentive to the development of more flexible generation, low carbon generation, or more flexible demand shall be avoided;	
	AM 19 **Article 3 – paragraph 1 – point b a (new)** ***(ba) the development of more flexible generation, sustainable low carbon generation, and more flexible demand shall be promoted;***		
(c) customers shall be enabled to benefit from market opportunities and increased competition on retail markets;	**AM 20** (c) customers shall be enabled to benefit from market opportunities and increased competition on retail markets ***and be empowered to act as participant in the energy market and the energy transition***;	(c) customers shall be enabled to benefit from market opportunities and increased competition on retail markets;	
(d) market participation of consumers and small businesses shall be enabled by aggregation of generation from multiple generation facilities or load from multiple demand facilities to provide joint offers on the electricity market and be jointly operated in the electricity system, subject to compliance with EU treaty rules on competition;		(d) market participation of consumers and small businesses shall be enabled by aggregation of generation from multiple generation facilities or load from multiple demand facilities to provide joint offers on the electricity market and be jointly operated in the electricity system, subject to compliance with EU treaty rules on competition;	

(e) market rules shall support the decarbonisation of the economy by enabling the integration of electricity from renewable energy sources and providing incentives for energy efficiency;	**AM 21** (e) market rules shall support the decarbonisation of ***the electricity system and thus*** the economy by enabling the integration of electricity from renewable energy sources ***including energy storage*** and providing incentives for energy efficiency;	(e) market rules shall **[ ] accompany** the decarbonisation of the economy **e.g.** by enabling the integration of electricity from renewable energy sources and providing incentives for energy efficiency;	
(f) market rules shall deliver appropriate investment incentives for generation, storage, energy efficiency and demand response to meet market needs and thus ensure security of supply;	**AM 22** (f) market rules shall ***encourage free price formation to*** deliver appropriate investment incentives for generation, ***in particular long-term investments for a decarbonised and sustainable electricity system*** storage, energy efficiency**,** demand response ***and facilitate fair competition*** and thus ensure security of supply;	(f) market rules shall deliver appropriate investment incentives for generation, storage, energy efficiency and demand response to meet market needs and thus ensure security of supply;	
(g) barriers to cross-border electricity flows and cross-border transactions on electricity markets and related services markets shall be avoided;	**AM 23** (g) barriers to cross-border electricity flows and cross-border transactions on electricity markets and related services markets shall be ***removed***;	(g) barriers to cross-border electricity flows **between bidding zones or Member States** and cross-border transactions on electricity markets and related services markets shall be avoided;	
(h) market rules shall provide for regional cooperation where effective;	**AM 24** (h) market rules shall provide for ***strong*** regional cooperation where effective;	(h) market rules shall provide for regional cooperation where effective;	
(i) all generation, storage and demand resources shall participate on equal footing in the market;		(i) **[ ] safe and sustainable** generation, storage and demand **[ ]** shall participate on equal footing in the market**, under the requirements provided for in the EU law**;	

(j) all producers shall be directly or indirectly responsible for selling the electricity they generate;		(j) all producers shall be directly or indirectly responsible for selling the electricity they generate;	
	AM 25 **Article 3 – paragraph 1 – point j a (new)** ***(ja) electricity generation operators shall bear full financial and legal responsibility deriving from their assets;***		
(k) market rules shall allow for progress in research and development to be realized and used to the benefit of society;	**AM 26** (k) market rules shall allow for progress in research and development ***into sustainable, secure and low-carbon energy sources, technologies or systems*** to be realized and used to the benefit of society;	**[ ]**	
(l) market rules shall enable the efficient dispatch of generation assets and demand response;	**AM 27** (l) market rules shall enable the efficient dispatch of generation assets***, storage*** and demand response;	(l) market rules shall enable the efficient dispatch of generation assets and demand response;	
(m) market rules shall allow for entry and exit of electricity generation and electricity supply undertakings based on their assessment of the economic and financial viability of their operations;	**AM 28** (m) market rules shall allow for entry and exit of electricity generation***, energy storage*** and electricity supply undertakings based on their assessment of the economic and financial viability of their operations; ***effective competition and price formation;***	(m) market rules shall allow for entry and exit of electricity generation and electricity supply undertakings based on their assessment of the economic and financial viability of their operations;	

(n) long-term hedging opportunities, which allow market participants to hedge against price volatility risks on a market basis, and eliminate uncertainty on future returns on investment shall be tradable on exchanges in a transparent manner subject to compliance with EU treaty rules on competition.	**AM 29** (n) long-term hedging opportunities, which allow market participants to hedge against price volatility risks on a market basis, and ***mitigate*** uncertainty on future returns on investment shall be tradable on exchanges in a transparent manner subject to compliance with EU treaty rules on competition ***while current products offered on exchanges should be further expanded and promoted at Union level***; ***Regulatory changes shall take into account effects on both short-term and long-term forward and futures markets and products.***	(n) **[ ] in order to** allow market participants **[ ] to be protected** against price volatility risks on a market basis, and **[ ] mitigate** uncertainty on future returns on investment, **long-term hedging opportunities** shall be tradable on exchanges in a transparent manner **and long-term supply contracts shall be negotiable over the counter,** subject to compliance with EU treaty rules on competition.	
		(o) market participants have a right to obtain access to the transmission and distribution networks on objective, transparent and non-discriminatory terms.	

	AM 30 **Article 3 a (new)**		
	Just transition		
	The Commission shall support Member States that put in place a national strategy for the progressive reduction of installed coal and other solid fossil fuel generation and mining capacity through all available means, including targeted financial support to enable a "just transition" in regions affected by structural change. The Commission shall assist Member States to address the social, skills and industrial impacts of the clean energy transition.		
	The Commission shall work in close partnership with the actors of coal and carbon-intensive regions, provide guidance, in particular for the access to and use of available funds and programmes, and shall encourage the exchange of good practices, including discussions on industrial roadmaps and re-skilling needs.		

Article 4 *Balancing responsibility*		*Article 4* *Balance[ ] responsibility*	
1. All market participants shall aim for system balance and shall be financially responsible for imbalances they cause in the system. They shall either be balance responsible parties or delegate their responsibility to a balance responsible party of their choice.		1. All market participants **[ ]** shall be **[ ]** responsible for **the** imbalances they cause in the system**. To that end, the market participants [ ]** shall either be balance responsible parties or **contractually** delegate their responsibility to a balance responsible party of their choice. **In accordance with the Balancing Guideline adopted on the basis of Article 17 and 18 of the Regulation 714/2009, each balance responsible party shall be financially responsible for its imbalances and strive to be balanced or help the power system to be balanced.**	
2. Member States may provide for derogation from balance responsibility in respect of:		2. Member States may provide **[ ] derogations** from **[ ] balancing responsibility only in the following cases**:	
(a) demonstration projects;		(a) demonstration projects **for emerging technologies as defined in Article 66 and 67 of Regulation (EU) 2016/631[15];**	
(b) generating installations using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than 500 kW;		(b) **power generating facility [ ],** using renewable energy sources or high-efficiency cogeneration with a **total** installed electricity capacity of less than **[ ] 250** kW**;**	

15 **Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators (OJ L 112, 27.4.2016, p. 1).**

(c) installations benefitting from support approved by the Commission under Union State aid rules pursuant to Articles 107 to 109 TFEU, and commissioned prior to [OP: entry into force]. Member States may, subject to Union state aid rules, incentivize market participants which are fully or partly exempted from balancing responsibility to accept full balancing responsibility against appropriate compensation.		(c) **Without prejudice to contracts concluded before [entry into force of the legislation], and** installations benefitting from support approved by the Commission under Union State aid rules pursuant to Articles 107 to 109 TFEU, and commissioned prior to [OP: entry into force]. Member States may, **[ ] without prejudice to Articles 107 and 108 TFEU,** incentivise market participants which are fully or partly exempted from balancing responsibility to accept full balancing responsibility**[ ]**.	
	AM 31 **Article 4 – paragraph 2 a (new)** ***2a. When a Member State chooses to provide a derogation in accordance with Article 4(2), it shall ensure that the financial responsibilities for imbalances are fulfilled by another party.***	**2a. When a Member State chooses to provide a derogation according to Article 4 (2), they need to ensure that the financial responsibilities of imbalances are fulfilled by another party.**	

3. From 1 January 2026, point (b) of paragraph 2 shall apply only to generating installations using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than 250 kW.		3. For **power generating facilities commissioned after** 1 January 2026, point (b) of paragraph 2 shall apply only to renewable energy sources or high-efficiency cogeneration with an **total** installed electricity capacity of less than **[ ] 150** kW. **Member States may apply a lower threshold.**	
Article 5 *Balancing market*			
1. All market participants shall have access to the balancing market, be it individually or through aggregation. Balancing market rules and products shall respect the need to accommodate increasing shares of variable generation as well as increased demand responsiveness and the advent of new technologies.	**AM 32** 1. All market participants***, including those providing electricity generated from variable renewable sources and demand side response and storage services*** shall have ***full*** access to the balancing market, be it individually or through aggregation. Balancing market rules and products shall respect the need to accommodate increasing shares of variable generation as well as increased demand responsiveness and the advent of new technologies.	**[ ]**	

2. Balancing markets shall be organised in such a way as to ensure effective non-discrimination between market participants taking account of the different technical capability of generation from variable renewable sources and demand side response and storage.	**AM 33** 2. Balancing markets shall be organised in such a way as to ensure effective non-discrimination between market participants***. All generation, including from variable renewable sources, demand side response and storage shall be enabled to participate on equal footing in balancing markets,*** taking account of the different technical capability.	2. Balancing markets**, including prequalification processes,** shall be organised in such a way as to**:** **(a)** ensure effective non-discrimination between market participants taking account of the different technical **[ ] needs of the power system, a transparent and technologically neutral definition of services and their transparent, market based procurement,**	
		(b) ensure access to all prequalified market participants, be it individual or through aggregation;	
		(c) respect the need to accommodate increasing shares of variable generation as well as increased demand responsiveness and the advent of new technologies.	
3. Balancing energy shall be procured separately from balancing capacity. Procurement processes shall be transparent while at the same time respecting confidentiality.	**AM 34** 3. Balancing energy shall be procured separately from balancing capacity***. The price of balancing energy shall not be pre-determined in a contract of balancing except where an exemption is applied in accordance with Article 16(6) of the Commission Regulation (EU) 2017/2195***[1a]. Procurement processes shall be transparent while at the same time respecting confidentiality. _____ ***[1a] Commission Regulation (EU) 2017/2195 of 23 November 2017***	**[ ]**	

	establishing a guideline on electricity balancing (OJ L 312, 28.11.2017 p. 6).		
4. Balancing markets shall ensure operational security whilst allowing for maximum use and efficient allocation of cross-zonal capacity across timeframes in accordance with Article 15.		4. Balancing markets shall ensure operational security whilst allowing for maximum use and efficient allocation of cross-zonal capacity across timeframes in accordance with Article 15.	
5. Marginal pricing shall be used for the settlement of balancing energy. Market participants shall be allowed to bid as close to real time as possible, and at least after the intraday cross-zonal gate closure time determined in accordance with Article 59 of Commission Regulation (EU) 2015/1222[16].	**AM 35** 5. The settlement of balancing energy ***shall be based on marginal pricing***. ***On balancing markets,*** market participants shall be allowed to bid as close to real time as possible, and ***balancing energy gate closure times shall not be before*** intraday cross-zonal gate closure time determined in accordance with Article 59 of Commission Regulation (EU) 2015/1222[34] _____ [34] Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24).	5. **[ ] For standard and specific balancing products,** the settlement of balancing energy **shall be based on marginal pricing, pay-as-cleared, without prejudice to the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009.** Market participants shall be allowed to bid as close to real time as possible, and **[ ] balancing energy gate closure times shall not be before** the intraday cross-zonal gate closure time determined in accordance with Article 59 of Commission Regulation (EU) 2015/1222[17]. **Transmission system operator applying a central dispatching model may define additional rules in accordance with [ ] the**	

[16] Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24).

[17] Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24).

		Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009.	
		5a. The price of balancing energy shall not be pre-determined [ ] in a contract for balancing capacity. An exemption for specific balancing products may be applied in accordance with the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009. Procurement processes shall be transparent while at the same time respecting confidentiality in accordance with paragraph 4 of Article 40 of the [recast Electricity Directive].	
6. The imbalances shall be settled at a price that reflects the real time value of energy.		6. The imbalances shall be settled at a price that reflects the real time value of energy **and shall be calculated in accordance with the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009.**	
		6a. The imbalance price area shall be equal to a bidding zone, except in case of a central dispatching model and in accordance with Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009. The imbalance area shall be equal to the scheduling area, except in case of a central dispatching model where imbalance	

		area may constitute a part of a scheduling area in accordance with the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009.	
7. The sizing of reserve capacity shall be performed at regional level in accordance with point 7 of Annex I. Regional operational centres shall support transmission system operators in determining the amount of balancing capacity that needs to be procured in accordance with point 8 of Annex I.	**AM 36** 7. The sizing of reserve capacity shall be performed at regional level in accordance with point 7 of Annex I. Regional ***coordination*** centres shall support transmission system operators in determining the amount of balancing capacity that needs to be procured in accordance with point 8 of Annex I.	7. The **[ ] dimensioning** of reserve capacity shall be performed **[ ] by the transmission system operators in accordance with the System Operation Guideline adopted on the basis of Article 18 of the Regulation 714/2009 and may be facilitated on a regional level.**	
8. The procurement of balancing capacity shall be facilitated on a regional level in accordance with point 8 of Annex I. The procurement shall be based on a primary market and organised in such a way as to be non-discriminatory between market participants in the prequalification process individually or through aggregation.	**AM 37** 8. The procurement of balancing capacity shall be ***performed by the transmission system operators***. The procurement shall be based on a primary market and organised in such a way as to be non-discriminatory between market participants in the prequalification process***, whether market participants participate*** individually or through aggregation ***subject to technical constraints inherent in managing networks***. ***The reservation of cross-zonal capacity for the exchange of balancing capacity shall be limited to 5% of the available capacity for the exchange of energy of the previous relevant calendar year between the respective bidding zones.***	8. The procurement of balancing capacity shall be **performed by the transmission system operators,** facilitated on a regional level in accordance with **[ ] Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009.** The procurement **of balancing capacity** shall be **market-**based **[ ]** and organised in such a way as to be non-discriminatory between market participants in the prequalification process individually or through aggregation **in accordance with paragraph 4 of Article 40 of the [recast Electricity Directive].**	

9. The procurement of upward balancing capacity and downward balancing capacity shall be carried out separately. The contracting shall be performed for not longer than one day before the provision of the balancing capacity and the contracting period shall have a maximum of one day.	**AM 38** 9. The procurement of upward balancing capacity and downward balancing capacity shall be carried out separately. ***Procurement of balancing capacity*** shall be performed for not longer than one day before the provision of the balancing capacity and the contracting period shall have a maximum ***duration*** of one day.	9. The procurement of upward balancing capacity and downward balancing capacity shall be carried out separately**, [ ] in accordance with the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009. To the extent possible, and at least for a minimum of 40 % of the standard products used for balancing capacity**, the contracting **of balancing capacity** shall be performed for not longer than one day before the provision of the balancing capacity and the contracting period shall have a maximum of one day. **The contracting of the remaining part of the balancing capacity shall be performed for a maximum of one month in advance of the provision of balancing capacity and the contracting period of the remaining part of balancing capacity shall have a maximum period of one month.**	

		9a. On the request of the transmission system operator the regulatory authority may extend the contracting period of the remaining part of balancing capacity referred to in paragraph 9 to a maximum period of twelve months provided that such decision will be limited in time, and the positive effects in terms of lowering of costs for consumers will exceed the negative impacts on the market. The request shall include:	
		(a) specification of the time period during which the exemption would apply;	
		(b) specification of the volume of balancing capacity for which the exemption would apply;	
		(c) analysis of the impact of such an exemption on the participation of balancing resources; and	
		(d) justification for the exemption demonstrating that such an exemption would lead to lower costs for consumers.	
10. Transmission system operators shall publish close to real-time information on the current balancing state of their control areas, the imbalance price and the balancing energy price.	**AM 39** 10. Transmission system operators ***or third parties to whom these responsibilities have been delegated by the relevant transmission system operator, Member State or regulatory authority*** shall publish close to real-time information on the current balancing state of their control areas,	10. Transmission system operators shall publish**, [ ] as soon as possible but not later than 30 minutes after** real-time**, the** information on the current **[ ] system balance** of their **[ ] scheduling** areas **[ ] and** the **estimated [ ]** balancing energy prices**. To the extent that responsibility for provision of this**	

	the ***estimated*** imbalance price and the ***estimated*** balancing energy price.	**information has been assigned or delegated to a third party, in accordance with the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009Article, those parties will be responsible for meeting the requirements of this Article.**	
	AM 40 **Article 5 – paragraph 10 a (new)** ***10a. Member States shall report on the functioning and transparency of, and access to, in particular by small providers, the balancing markets, in particular for the purpose of Article 4, through the reporting procedure on the internal energy market laid down in Article 21 of Regulation .../... [Governance of the Energy Union].***		
Article 6 *Day-ahead and intraday markets*			
1. Transmission system operators and nominated electricity market operators shall jointly organise the management of the integrated day-ahead and intraday markets based on market coupling as set out in Regulation (EU) 2015/1222. Transmission system operators and nominated electricity market operators shall cooperate at Union level or, where more appropriate, on a regional basis in order to maximise the efficiency and effectiveness of		1. Transmission system operators and nominated electricity market operators shall jointly organise the management of the integrated day-ahead and intraday markets based on market coupling as set out in Regulation (EU) 2015/1222. Transmission system operators and nominated electricity market operators shall cooperate at Union level or, where more appropriate, on a regional basis in order to maximise the efficiency and effectiveness of Union	

Union electricity day-ahead and intraday trading. The obligation to cooperate shall be without prejudice to the application of the provisions of Union competition law. In their functions relating to electricity trading, transmission system operators and nominated market operators shall be subject to regulatory oversight by regulators and the Agency pursuant to Article 59 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2] and Articles 4 and 9 of [recast of Regulation (EC) No 713/2009 as proposed by COM(2016) 863/2].		electricity day-ahead and intraday trading. The obligation to cooperate shall be without prejudice to the application of the provisions of Union competition law. In their functions relating to electricity trading, transmission system operators and nominated **electricity** market operators shall be subject to regulatory oversight by regulators and the Agency pursuant to Article 59 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2] and Articles 4 and 9 of [recast of Regulation (EC) No 713/2009 as proposed by COM(2016) 863/2].	
2. Day-ahead and intraday markets shall		2. Day-ahead and intraday markets shall	
(a) be organised in such a way as to be non-discriminatory;	**AM 41** (a) be **[ ]** non-discriminatory;	(a) be organised in such a way as to be non-discriminatory;	
(b) maximise the ability of market participants to contribute to avoid system imbalances;		(b) maximise the ability of **all** market participants to **[ ] manage their** imbalances;	
(c) maximise the opportunities for market participants to participate in cross-border trade as close as possible to real time across all bidding zones;		(c) maximise the opportunities for **all** market participants to participate in cross-**[ ] zonal** trade as close as possible to real time across all bidding zones;	
(d) provide prices that reflect market fundamentals and that market participants can rely on when agreeing on longer-term hedging products;		(d) provide prices that reflect market fundamentals**, including the real time value of energy,** and that market participants can rely on when agreeing on longer-term hedging products;	

(e) ensure operational security whilst allowing for maximum use of transmission capacity;		(e) ensure operational security whilst allowing for maximum use of transmission capacity;	
(f) be transparent while at the same time respecting confidentiality;		(f) be transparent while at the same time respecting confidentiality **and ensuring trading occurs in an anonymous manner**; **and**;	
(g) ensure trades are anonymous; and		**[ ]**	
(h) make no distinction between trades made within a bidding zone and across bidding zones.		(h) make no distinction between trades made within a bidding zone and across bidding zones.	
3. Market operators shall be free to develop products and trading opportunities that suit market participants' demand and needs and ensure that all market participants are able to access the market individually or through aggregation. They shall respect the need to accommodate increasing shares of variable generation as well as increased demand responsiveness and the advent of new technologies.	**AM 42** 3. Market operators shall be free to develop products and trading opportunities that suit market participants' demand and needs and ensure that all market participants are able to access the market individually or through aggregation. They shall respect the need to accommodate increasing shares of variable generation ***and energy storage*** as well as increased demand responsiveness and the advent of new technologies	**[ ]**	
Article 7 *Trade on day-ahead and intraday markets*			
1. Market operators shall allow market participants to trade energy as close to real time as possible and at least up to the intraday cross-zonal gate closure time determined in accordance with Article 59 of Regulation (EU) 2015/1222.	**AM 43** 1. Market operators shall allow market participants to trade energy as close to real time as possible and at least up to ***15 minutes before real time across all bidding zones***.	1. **Nominated electricity m**arket operators shall allow market participants to trade energy as close to real time as possible and at least up to the intraday cross-zonal gate closure time determined in accordance with **[ ] the capacity allocation and congestion management guideline**	

		adopted on the basis of Article 18 of Regulation (EU) 714/2009.	
2. Market operators shall provide market participants with the opportunity to trade in energy in time intervals at least as short as the imbalance settlement period in both day-ahead and intraday markets.	**AM 44** 2. Market operators shall provide market participants with the opportunity to trade in energy ***in national and cross-border markets*** in time intervals at least as short as the imbalance settlement period in both day-ahead and intraday markets.	2. **Nominated electricity m**arket operators shall provide market participants with the opportunity to trade in energy in time intervals at least as short as the imbalance settlement period in both day-ahead and intraday markets **in accordance with the balancing guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009.**	
3. Market operators shall provide products for trading in day-ahead and intraday markets which are sufficiently small in size, with minimum bid sizes of 1 Megawatt or less, to allow for the effective participation of demand-side response, energy storage and small-scale renewables.	**AM 45** 3. Market operators shall provide products for trading in day-ahead and intraday markets which are sufficiently small in size, with minimum bid sizes of ***500 Kilowatt***, to allow for the effective participation of demand-side response, energy storage and small-scale renewables ***including directly by customers***.	3. **Nominated electricity m**arket operators shall provide products for trading in day-ahead and intraday markets which are sufficiently small in size, with minimum bid sizes of 1 Megawatt **[ ],** to allow for the effective participation of demand-side response, energy storage and small-scale renewables **in accordance to the methodologies developed in the capacity allocation and congestion management guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009.**	

4. By 1 January 2025, the imbalance settlement period shall be 15 minutes in all control areas.	**AM 46** 4. By 1 January ***2021***, the imbalance settlement period shall be 15 minutes in all control areas.	4. By 1 January 202**1**, the imbalance settlement period shall be 15 minutes in all **[ ] scheduling** areas **unless regulatory authorities have granted a derogation or an exemption in accordance with the balancing guideline adopted on the basis of Article 18 of the Regulation 714/2009.**	
Article 8 *Forward markets*			
1. In line with Regulation (EU) 2016/1719, transmission system operators shall issue long-term transmission rights or have equivalent measures in place to allow for market participants, in particular owners of generation facilities using renewable energy sources, to hedge price risks across bidding zone borders.		1. In line with Regulation (EU) 2016/1719, transmission system operators shall issue long-term transmission rights or have equivalent measures in place to allow for market participants, **[ ] including** owners of generation facilities using renewable energy sources, to hedge price risks across bidding zone borders**, unless an assessment of the forward market performed by the competent regulatory authorities on the bidding zone borders shows sufficient hedging opportunities in the concerned bidding zones in accordance with the guideline on forward capacity allocation adopted on the basis of Article 18 of the Regulation 714.**	

2. Long-term transmission rights shall be allocated in a transparent, market based and non-discriminatory manner through a single allocation platform. Long-term transmission rights shall be firm and be transferable between market participants.		2. Long-term transmission rights shall be allocated in a transparent, market based and non-discriminatory manner through a single allocation platform **[ ] according to the provisions of the guideline on forward capacity allocation adopted on the basis of Article 18 of the Regulation 714/2009.**	
3. Subject to compliance with treaty rules on competition, market operators shall be free to develop forward hedging products including for the long-term to provide market participants, in particular owners of generation facilities using renewable energy sources, with appropriate possibilities to hedge financial risks from price fluctuations. Member States shall not restrict such hedging activity to trades within a Member State or bidding zone.	**AM 47** 3. Subject to compliance with treaty rules on competition, market operators shall be free to develop forward hedging products including for the long-term to provide market participants, in particular owners of generation facilities using renewable energy sources, with appropriate possibilities to hedge financial risks from price fluctuations. Member States shall ***support the liquidity of such products, in particular of exchange-based products that have already been developed, and shall allow them to be traded across*** bidding ***zones***.	3. Subject to compliance with treaty rules on competition, market operators shall be free to develop forward hedging products including for the long-term to provide market participants, **[ ] including** owners of generation facilities using renewable energy sources, with appropriate possibilities to hedge financial risks from price fluctuations. Member States shall not restrict such hedging activity to trades within a Member State or bidding zone.	

Article 9 *Price Restrictions*		*Article 9* ***[ ] Technical bidding limits***	
1. There shall be no maximum limit of the wholesale electricity price unless it is set at the value of lost load as determined in accordance with Article 10. There shall be no minimum limit of the wholesale electricity price unless it is set at a value of minus 2000 € or less and, in the event that it is or anticipated to be reached, set at a lower value for the following day. This provision shall apply, inter alia, to bidding and clearing in all timeframes and include balancing energy and imbalance prices.	**AM 48** 1. There shall be no maximum **[ ]** ***and*** no minimum limit of the wholesale electricity price **[ ]**. This provision shall apply, inter alia, to bidding and clearing in all timeframes and include balancing energy and imbalance prices.	1. **[ ] Wholesale electricity prices and balancing energy prices, including bidding and clearing prices, shall not be subject to a minimum or maximum limit. This is without prejudice to the technical price limits which may be applied in the balancing timeframe according to the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009 and in the day-ahead and intraday timeframes as set out in the following paragraph.**	
2. By way of derogation from paragraph 1, until [OP: two years after entry into force] market operators may apply limits on maximum clearing prices for day-ahead and intraday timeframes in accordance with Articles 41 and 54 of Regulation (EU) 2015/1222. In the event that limits are, or are anticipated to be, reached, they shall be raised for the following day.	**AM 49** 2. By way of derogation from paragraph 1, market operators may apply ***technical*** limits on maximum ***and minimum bidding limits*** for day-ahead and intraday timeframes in accordance with Articles 41 and 54 of Regulation (EU) 2015/1222 ***and for the balancing timeframe in accordance with Regulation (EU) 2017/2195***. In the event that ***those technical*** limits are, or are anticipated to be, reached, they shall be ***automatically adjusted. The technical price limits shall be sufficiently high so as not to unnecessarily restrict trade, and shall be harmonised*** for the ***common market area***. ***They shall be returned to initial values after the scarcity situation is over.***	2. **[ ] Nominated electricity** market operators may apply **harmonised** limits on maximum **and minimum** clearing prices for day-ahead and intraday timeframes in accordance with **[ ] the capacity allocation and congestion management guideline adopted on the basis of Article 18 of the Regulation 714/2009. These limits shall take into account the maximum value of lost load. Nominated market operators shall implement a transparent mechanism to adjust automatically the technical bidding limits in due time in the event that the set limits are expected to be reached. The adjusted higher limits shall remain applicable until further increases under this mechanism are required.**	

3. Transmission system operators shall not take any measures with the aim of changing the wholesale prices. All dispatch orders shall be reported to the national regulatory authority within one day.		3. Transmission system operators shall not take any measures with the aim of changing the wholesale prices. **[ ]**	
4. Member States shall identify policies and measures applied within their territory that could contribute to indirectly restrict price formation, including limiting bids relating to the activation of balancing energy, capacity mechanisms, measures by the transmission system operators, measures intended to challenge market results or to prevent abuse of dominant positions or inefficiently defined bidding zones.		4. **National regulatory authorities or other competent authorities designated by** Member States shall identify policies and measures applied within their territory that could contribute to indirectly restrict **wholesale** price formation, including limiting bids relating to the activation of balancing energy, capacity mechanisms, measures by the transmission system operators, measures intended to challenge market results or to prevent abuse of dominant positions or inefficiently defined bidding zones.	

5. Where a Member State has identified a policy or measure which could serve to restrict price formation it shall take all appropriate actions to eliminate or, if not possible, mitigate the impact on bidding behaviour. Member States shall provide a report to the Commission by [OP: six months after entry into force] detailing the measures and actions they have taken or intend to take.		5. Where a **national regulatory authority or other competent authority designated by** Member State has identified a policy or measure which could serve to restrict price formation it shall take all appropriate actions to eliminate or, if not possible, mitigate the impact on bidding behaviour. Member States shall provide a report to the Commission by [OP: *six months after entry into force*] detailing the measures and actions they have taken or intend to take.	
Article 10 *Value of lost load*			
1. By [OP: one year after entry into force] Member States shall establish a single estimate of the Value of Lost Load (VoLL) for their territory, expressed in €/MWh. That estimate shall be reported to the Commission and made publically available. Member States may establish different VoLL per bidding zone if they have several bidding zones in their territory. In establishing VoLL, Member States shall apply the methodology developed pursuant to Article 19(5).	**AM 50** 1. By [OP: one year after entry into force] Member States shall establish a single estimate of the Value of Lost Load (VoLL) for their territory, expressed in€/MWh. That estimate shall be reported to the Commission and made publically available***. In the case of cross-border bidding zones, Member States shall establish a common estimate of the VoLL***. Member States may establish different VoLL per bidding zone if they have several bidding zones in their territory. In establishing VoLL, Member States shall apply the methodology developed pursuant to Article 19(5).	1. By [OP: one year after entry into force] **where required for setting a reliability standard in accordance with Article 20 national regulatory authorities or other competent authorities designated by** Member States shall establish a single estimate of the Value of Lost Load (VoLL) for their territory **[ ]**. That estimate shall be **[ ]** made publically available. **National regulatory authorities or other competent authorities designated by** Member States may establish different **[ ] estimates** per bidding zone if they have several bidding zones in their territory. **In case a bidding zone consists of territories of more than one Member State, the concerned**	

		Member States shall establish a single VoLL for that bidding zone. In establishing VoLL, **national regulatory authorities or other competent authorities designated by** Member States shall apply the methodology developed pursuant to Article 19(5).	
2. Member States shall update their estimate at least every five years.		2. Member States shall update their estimate at least every five years **or when a significant change is observed**.	
Article 11 *Dispatching of generation and demand response*			
1. Dispatching of power generation facilities and demand response shall be non-discriminatory and market based unless otherwise provided under paragraphs 2 to 4.		1. Dispatching of power generation facilities and demand response shall be non-discriminatory**, transparent** and**, unless otherwise provided under Article 11 (2) to Article 11 (4),** market based **[ ]**.	
2. When dispatching electricity generating installations, transmission system operators shall give priority to generating installations using renewable energy sources or high-efficiency cogeneration from small generating installations or generating installations using emerging technologies to the following extent:		2. **[ ] Without prejudice to Articles 107 to 109 TFEU Member States may provide for electricity** generated **[ ]** using renewable energy sources or high-efficiency cogeneration from small **[ ] power generating facility** or **power generating facility** using emerging technologies **to be granted priority dispatch up** to the following extent:	

(a) generating installations using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than 500 kW; or	**AM 51** (a) generating installations using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than 500 kW; **[ ]**	(a) **[ ] power generating facility** using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than **[ ] 250** kW; or	
(b) demonstration projects for innovative technologies.	**AM 52** (b) ***generating installations which are*** demonstration projects for innovative technologies***;*** ***Member States may apply higher limits to local energy communities as established in the Directive (EU) ... [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2].***	(b) demonstration projects for **emerging [ ]** technologies **as defined in the network code on requirements for generators adopted on the basis of Article 6 of Regulation 714/2009**.	
3. Where the total capacity of generating installations subject to priority dispatch under paragraph 2 is higher than 15 % of the total installed generating capacity in a Member State, point (a) of paragraph 2 shall apply only to additional generating installations using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than 250 kW.	**AM 53** 3. ***A Member State which does not at the time of entry into force of this Regulation grant priority dispatch to any*** generating installations ***may request to be exempted from the provisions of paragraph 2 if it can demonstrate to the Commission that all of the following conditions are met:***	**[ ]**	
	(a) no priority dispatch ***exists for*** installations ***other than those listed in paragraph 2 is in place;***		
	(b) its liquid intraday, wholesale and balancing markets are fully accessible to all market players in accordance with the provisions of this Regulation;		

	(c) its curtailment rules and congestion management are transparent to all market parties and comply with the provisions of this Regulation;		
	(d) its renewable energy ***target for 2030 is sufficient for the collective achievement of the Union's binding overall target for share of energy from renewable*** sources ***pursuant to Article 3(2) of [Directive 2009/28/EC as proposed by COM(2016) 767]and the Member State is expected to meet its target***		
	The Commission shall approve or reject a request for exemption within six months of receipt of the request. Any exemption granted shall avoid retroactive changes for installations already benefiting from priority dispatch, notwithstanding any agreement between a Member State and an installation on a voluntary basis.		
From 1 January 2026, point (a) of paragraph 2 shall apply only to generating installations using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than 250 kW or, if the threshold under the first sentence of this paragraph has been reached, of less than 125 kW.	From 1 January 2026, point (a) of paragraph 2 shall apply only to generating installations using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than 250 kW **[ ]** .	**3a. For power generating facility commissioned as** from 1 January 2026, point (a) of paragraph 2 shall apply only to **power generating facilities [ ]** using renewable energy sources or high-efficiency cogeneration with an installed electricity capacity of less than **[ ]** **1**50 kW **[ ]. Member States may apply a lower threshold.**	

4. Generating installations using renewable energy sources or high-efficiency cogeneration which have been commissioned prior to [OP: entry into force] and have, when commissioned, been subject to priority dispatch under Article 15(5) of Directive 2012/27/EU of the European Parliament and of the Council or Article 16(2) of Directive 2009/28/EC of the European Parliament and of the Council[18] shall remain subject to priority dispatch. Priority dispatch shall no longer be applicable from the date where the generating installation is subject to significant modifications, which shall be the case at least where a new connection agreement is required or the generation capacity is increased.	**AM 54** 4. ***Without prejudice to paragraph 3 of this Article,*** generating installations using renewable energy sources or high-efficiency cogeneration which have been commissioned prior to [OP: entry into force] and have, when commissioned, been subject to priority dispatch under Article ***15 (5)*** of Directive 2012/27/EU of the European Parliament and of the Council or Article ***16 (2)*** Directive 2009/28/EC of the European Parliament and of the Council***[39]*** shall remain subject to priority dispatch. Priority dispatch shall no longer be applicable from the date where the generating installation is subject to significant modifications, which shall be the case at least where a new connection agreement is required or the generation capacity is increased. 1. _____ [35] Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16).	4. **[ ] Without prejudice to contracts concluded before [entry into force of the legislation]**, **power generating facility** using renewable energy sources or high-efficiency cogeneration which have been commissioned prior to [OP: entry into force] and have, when commissioned, been subject to priority dispatch under Article 15(5) of Directive 2012/27/EU of the European Parliament and of the Council or Article 16(2) of Directive 2009/28/EC of the European Parliament and of the Council[19] shall **[ ] continue to benefit from** priority dispatch. Priority dispatch shall no longer be applicable from the date where the **[ ] power generating facility** is subject to significant modifications, which shall be the case at least where a new connection agreement is required or the generation capacity is increased.	

[18] Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16).

[19] Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16).

5. Priority dispatch shall not endanger the secure operation of the electricity system, shall not be used as a justification for curtailment of cross-border capacities beyond what is provided for in Article 14 and shall be based on transparent and non-discriminatory criteria.		5. Priority dispatch shall not endanger the secure operation of the electricity system, shall not be used as a justification for curtailment of cross-border capacities beyond what is provided for in Article 14 and shall be based on transparent and non-discriminatory criteria.	
Article 12 *Redispatching and curtailment*		*Article 12* *Redispatching* ***[ ]***	
1. Curtailment or redispatching of generation and redispatching of demand response shall be based on objective, transparent and non-discriminatory criteria.		1. **[ ]** Redispatching of generation and redispatching of demand response shall be based on objective, transparent and non-discriminatory criteria. **It shall be open to all generation technologies, storage and demand response, including operators located in other Member States unless technically not feasible.**	

2. The resources curtailed or redispatched shall be selected amongst generation or demand facilities submitting offers for curtailment or redispatching using market-based mechanisms and be financially compensated. Non-market-based curtailment or redispatching of generation or redispatching of demand response shall only be used where no market-based alternative is available, where all available market-based resources have been used, or where the number of generation or demand facilities available in the area where suitable generation or demand facilities for the provision of the service are located is too low to ensure effective competition. The provision of market-based resources shall be open to all generation technologies, storage and demand response, including operators located in other Member States unless technically not feasible.	**AM 55** 2. The resources curtailed or redispatched shall be selected amongst generation***, energy storage, and/or*** demand ***response*** facilities submitting offers for curtailment or redispatching using market-based mechanisms and be financially compensated. Non-market-based curtailment or redispatching of generation or redispatching of ***energy storage and/or*** demand response shall only be used ***for operational security reasons and*** where no market-based alternative is available ***or*** where all available market-based resources have been used, or where the number of generation***, energy storage*** or demand facilities available in the area where suitable generation***, energy storage*** or demand facilities for the provision of the service are located is too low to ensure effective competition. The provision of market-based resources shall be open to all generation technologies, storage and demand response, including operators located in other Member States unless technically not feasible.	2. The resources **[ ]**redispatched shall be selected amongst generation**, storage** or demand facilities **[ ]** using market-based mechanisms and be financially compensated. **[ ]** **Balancing energy bids used for redispatching shall not set the balancing energy price in accordance with the Balancing Guideline adopted on the basis of Article 18 of the Regulation 714/2009.** *(part of 2, moved as 2a)*	

		2a. Without prejudice to Articles 107 to 109 TFEU non-market-based **[ ]** redispatching of generation or redispatching of demand response **[ ] may** only be used **[ ] subject to the following conditions:**	
		(a) no market-based alternative is available,	
		(b) [ ] all available market-based resources have been used, or	
		(c) [ ] the number of generation or demand facilities available in the area where suitable generation or demand facilities for the provision of the service are located is too low to ensure effective competition. **[ ]**	
		(d) the current grid situation leads to congestion in such a regular and predictable way that market-based redispatch would lead to regular strategic bidding which would increase the level of internal congestion and the Member State concerned has adopted an action plan to address this congestions or ensures that minimum available capacity for cross-zonal trade is [ ] in accordance with Article 14 (7).	

3. The responsible system operators shall report at least once per year to the competent regulatory authority on curtailment or downward redispatching of generating installations using renewable energy sources or high-efficiency cogeneration and on measures taken to reduce the need for such curtailment or downward redispatching in the future. Curtailment or redispatching of generating installations using renewable energy sources or high-efficiency cogeneration shall be subject to compensation pursuant to paragraph 6.	**AM 56** 3. The responsible system operators shall report at least once per year to the competent regulatory authority***, which shall be transmitted to the Agency, on:***	3. The responsible system operators shall report at least once per year to the competent regulatory authority on **[ ]** downward redispatching of **power generating facility [ ]** using renewable energy sources or high-efficiency cogeneration **[ ].**	
	(a) the level of development and effectiveness of market-based curtailment or redispatching mechanisms for generation and demand facilities;		
	(b) the reasons, volumes in MWh and type of generation source subject to curtailment or downward redispatching;		
	(c) the measures taken to reduce the need for the curtailment or downward redispatching of generating installations using renewable energy sources or high-efficiency cogeneration in the future ***including investments in digitalisation of the grid infrastructure and in services that increase flexibility;***		

	(d) requests and contractual arrangements made with generating units for them to operate at a certain level of electricity infeed, the necessity of which the system operators shall justify,, specifying to what extent those services could not be provided by other units.		
	The competent regulatory authority shall publish the data referred to in paragraphs (a) to (d) together with recommendations for improvement where necessary.		
	Curtailment or redispatching of generating installations using renewable energy sources or high-efficiency cogeneration shall be subject to compensation pursuant to paragraph 6.		
4. Subject to requirements relating to the maintenance of the reliability and safety of the grid, based on transparent and non-discriminatory criteria defined by the competent national authorities, transmission system operators and distribution system operators shall:		4. Subject to requirements relating to the maintenance of the reliability and safety of the grid, based on transparent and non-discriminatory criteria defined by the competent national authorities, transmission system operators and distribution system operators shall:	
(a) guarantee the capability of transmission and distribution networks to transmit electricity produced from renewable energy sources or high-efficiency cogeneration with minimum possible curtailment or redispatching. That shall not prevent network planning	**AM 57** (a) guarantee the capability of transmission and distribution networks to transmit electricity produced from renewable energy sources***, energy storage, demand-response*** or high-efficiency cogeneration with minimum possible	(a) guarantee the capability of transmission and distribution networks to transmit electricity produced from renewable energy sources or high-efficiency cogeneration with minimum possible **[ ]** redispatching. That shall not prevent network planning from taking into	

from taking into account limited curtailment or redispatching where this is shown to be more economically efficient and does not exceed 5 % of installed capacities using renewable energy sources or high-efficiency cogeneration in their area;	curtailment or redispatching. That shall not prevent network planning from taking into account limited curtailment or redispatching where ***they can demonstrate in a transparent way that*** this is more economically efficient and does not exceed 5 % of installed capacities using renewable energy sources***, energy storage, demand-response*** or high-efficiency cogeneration in their area;	account limited **[ ]** redispatching where this is shown to be more economically efficient and**, [ ]** does not exceed 5 % of **[ ] the annual generated electricity in installations** using renewable energy sources **[ ] and which are directly connected to their respective grid, unless otherwise provided by a Member State in which electricity from power generating facility using renewable energy sources or high-efficiency cogeneration represents more than 50 % of annual gross final consumption of electricity**;	
(b) take appropriate grid and market-related operational measures in order to minimise the curtailment or downward redispatching of electricity produced from renewable energy sources or high-efficiency cogeneration.		(b) take appropriate grid and market-related operational measures in order to minimise the **[ ]** downward redispatching of electricity produced from renewable energy sources or high-efficiency cogeneration.	
	AM 58 **Article 12 – paragraph 4 – point b (new)** ***(ba) ensure that their networks are sufficiently flexible such that they are in a position to manage them.***		
5. Where non-market-based downward redispatching or curtailment is used, the following principles shall apply:		5. Where non-market-based downward redispatching **[ ]** is used, the following principles shall apply:	

(a) generating installations using renewable energy sources shall only be subject to downward redispatching or curtailment if no other alternative exists or if other solutions would result in disproportionate costs or risks to network security;	**AM 59** (a) generating installations using renewable energy sources shall only be subject to downward redispatching or curtailment if no other alternative exists or if other solutions would result in ***significantly*** disproportionate costs or ***significant*** risks to network security;	(a) **[ ] power generating facilities** using renewable energy sources shall only be subject to downward redispatching **[ ]**if no other alternative exists or if other solutions would result in disproportionate costs or **severe** risks to network security;	
(b) generating installations using high-efficiency cogeneration shall only be subject to downward redispatching or curtailment if, other than curtailment or downward redispatching of generating installations using renewable energy sources, no other alternative exists or if other solutions would result in disproportionate costs or risks to network security;	**AM 60** (b) ***electricity generated in a*** high-efficiency cogeneration ***process*** shall only be subject to downward redispatching or curtailment if, other than curtailment or downward redispatching of generating installations using renewable energy sources, no other alternative exists or if other solutions would result in disproportionate costs or risks to network security;	(b) **electricity generated in a [ ]** high-efficiency cogeneration **process** shall only be subject to downward redispatching **[ ]** if, other than **[ ]** downward redispatching of **[ ] power generating facilities** using renewable energy sources, no other alternative exists or if other solutions would result in disproportionate costs or **severe** risks to network security;	
(c) self-generated electricity from generating installations using renewable energy sources or high-efficiency cogeneration which is not fed into the transmission or distribution network shall not be curtailed unless no other solution would resolve network security issues;		**[ ]**	
(d) downward redispatching or curtailment under letters a to c shall be duly and transparently justified. The justification shall be included in the report under paragraph 3.		(d) downward redispatching **[ ]** under letters a **[ ] and b [ ] it** shall be duly and transparently justified. The justification shall be included in the report under paragraph 3.	

6. Where non-market based curtailment or redispatching is used, it shall be subject to financial compensation by the system operator requesting the curtailment or redispatching to the owner of the curtailed or redispatched generation or demand facility. Financial compensation shall at least be equal to the highest of the following elements:	**AM 61** 6. Where non-market based curtailment or redispatching is used, it shall be subject to financial compensation by the system operator requesting the curtailment or redispatching to the owner of the curtailed or redispatched generation**,** ***energy storage*** or demand facility. Financial compensation shall at least be equal to the highest of the following elements:	6. Where non-market based **[ ]** redispatching is used, it shall be subject to financial compensation by the system operator requesting the **[ ]** redispatching to the **[ ] operator** of the **[ ]** redispatched generation or demand facility **except in the case of generators accepting connection agreement in which firm delivery of energy is not guaranteed.** Financial compensation at least be equal to the highest of the following elements **or a combination of them if applying one of the elements would lead to an unjustifiably low or unjustifiably high compensation**:	
(a) additional operating cost caused by the curtailment or redispatching, such as additional fuel costs in case of upward redispatching, or backup heat provision in case of downward redispatching or curtailment of generating installations using high-efficiency cogeneration;		(a) additional operating cost caused by the **[ ]** redispatching, such as additional fuel costs in case of upward redispatching, or backup heat provision in case of downward redispatching or curtailment of **[ ] power generating facility** using high-efficiency cogeneration;	
(b) 90 % of the net revenues from the sale of electricity on the day-ahead market that the generating or demand facility would have generated without the curtailment or redispatching request. Where financial support is granted to generating or demand facilities based on the electricity volume generated or consumed, lost financial support shall be deemed part of the net revenues.	**AM 62** (b) **[ ]** net revenues from the sale of electricity on the day-ahead market that the generating or demand facility would have generated without the redispatching request, including lost financial support where financial support is granted to generating or demand facilities based on the electricity volume generated or consumed..	(b) **[ ] N**et revenues from the sale of electricity on the day-ahead market that the generating or demand facility would have generated without the **[ ]** redispatching request. Where financial support is granted to generating or demand facilities based on the electricity volume generated or consumed, lost financial support shall be deemed part of the net revenues.	

Chapter III **Network access and congestion management**			
SECTION 1 **CAPACITY ALLOCATION**			
Article 13 *Definition of bidding zones*		*Article 13* ***Measures to address congestion and*** *definition of bidding zones*	
1. Bidding zone borders shall be based on long-term, structural congestions in the transmission network and bidding zones shall not contain such congestions. The configuration of bidding zones in the Union shall be designed in such a way as to maximise economic efficiency and cross-border trading opportunities while maintaining security of supply.	**AM 63** 1. ***The configuration of bidding zones in the Union shall be designed in such a way as to ensure liquidity of day-ahead and intraday markets, and thus to maximise economic efficiency and cross-border trading opportunities while maintaining security of supply.*** Bidding zone borders shall be based on long-term, structural congestions in the transmission network and bidding zones shall not contain such congestions ***unless they have no impact on neighbouring*** bidding zones, ***or their impact is mitigated by remedial actions***.	1. **Member States shall take all appropriate measures to address congestions**. Bidding zone borders shall be based on long-term, structural congestions in the transmission network **[ ]. Bidding zones shall not contain such structural congestions unless they have no impact, or their impact on neighbouring bidding zones is mitigated through the use of remedial actions and they do not lead to reductions of cross zonal trading capacity**. The configuration of the bidding zones in the Union shall be designed in such a way as to maximise economic efficiency and **in order to maximise** cross-border trading opportunities, **[ ] with due respect to the provisions in Article 14**.	
2. Each bidding zone should be equal to an imbalance price area.	**AM 64** 2. Each bidding zone should be equal to an imbalance price area***, except where an imbalance price area may constitute a part of a bidding zone***.	**[ ]**	

3. In order to ensure an optimal bidding zone definition in closely interconnected areas, a bidding zone review shall be carried out. That review shall include analysis of the configuration of bidding zones in a coordinated manner with the involvement of affected stakeholders from all affected Member States, following the process in accordance with Articles 32 to 34 of Regulation (EU) 2015/1222. The Agency shall approve and may request amendments to the methodology and assumptions that will be used in the bidding zone review process as well as the alternative bidding zone configurations considered.	**AM 65** 3. In order to ensure an optimal bidding zone definition in closely interconnected areas, a bidding zone review shall be carried out. That review shall include analysis of the configuration of bidding zones in a coordinated manner with the involvement of affected stakeholders from all affected Member States, following the process in accordance with Articles 32 to 34 of Regulation (EU) 2015/1222. ***Current bidding zones shall be assessed based on their ability to create a reliable market environment, ensure sufficient flexible generation and load capacity, which is crucial for avoiding grid bottlenecks, balancing electricity demand and supply securing the long-term security of investments and the grid.*** The Agency shall approve and may request amendments to the methodology and assumptions that will be used in the bidding zone review process as well as the alternative bidding zone configurations considered. ***The methodology shall take due account of infrastructure development projects that are expected to be realised within the next 5 years.***	3. In order to ensure an optimal bidding zone **[ ] configuration [ ]** a bidding zone review shall be carried out. That review shall **identify all structural congestion and** include analysis of **[ ] different** configurations of bidding zones in a coordinated manner with the involvement of affected stakeholders from all **[ ] relevant** Member States, following the process in accordance with **[ ] the capacity allocation and congestion management guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009**. **All relevant transmission system operators shall submit a proposal to the relevant national regulatory authorities for approval. The relevant national regulatory authorities shall come to an unanimous decision on the proposal within [3 month]. In case they do not agree within this time frame, t**he Agency shall **[ ] decide on** the methodology and assumptions that will be used in the bidding zone review process as well as the alternative bidding zone configurations considered. **The methodology shall be based on structural congestions which are not expected to be overcome within the next five years, for example taking due account of tangible**	

		progress on infrastructure development projects, that are expected to be realised within the next five years.	
		3a. Irrespective of the concrete outcome of the infrastructure development projects, Article 14 shall apply to the calculation of the available capacity for cross-zonal exchanges. Where an action plan is implemented pursuant to paragraph 4a, the threshold referred to in Article 14(7) shall be reached not later than end of 2025.	
4. The transmission system operators participating in the bidding zone review shall submit a proposal to the Commission regarding whether to amend or maintain the bidding zone configuration. Based on that proposal, the Commission shall adopt a decision whether to amend or maintain the bidding zone configuration, [no later than 6 months after entry into force of this Regulation, specific date to be inserted by OP] or by six months after the conclusion of the bidding zone configuration launched in accordance with points (a), (b) or (c) of Article 32(1) of Regulation (EU) 2015/1222, whichever comes later.	**AM 66** 4. The transmission system operators participating in the bidding zone review shall submit a proposal to the ***relevant Member States*** whether to amend or maintain the bidding zone configuration. ***The relevant Member States shall be those participating in the review pursuant to Article 32(2) of Regulation (EU) 2015/1222 and those in the same Capacity Calculation Region(s) pursuant to Regulation (EU) 2015/1222.*** Based on ***the*** proposal, the ***relevant Member States*** shall ***come to a unanimous*** decision ***within six months on*** whether to amend or maintain the bidding zone configuration***. Other Member States, Energy Community Contracting Parties or other third countries sharing the same***	4. The transmission system operators participating in the bidding zone review shall submit a **joint** proposal to the **[ ] relevant Member States or designated competent authorities of the relevant Member States [*no later than 12 months after entry into force of this Regulation, specific date to be inserted by OJ].* In this article, relevant Member States refer to those Member States participating in the review of the bidding zone configuration and also those in the same capacity calculation region pursuant to the capacity allocation and congestion management guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009.**	

	synchronous area with any Member State may submit comments. The decision shall be reasoned, in accordance with ***relevant Union law and shall take account of any observations of other Member States, Energy Community Contracting Parties and other third countries sharing the same synchronous area with any Member State, as well as of commitments on addressing existing congestion made by the relevant Member States. The relevant Member States shall notify the Commission and the Agency of their decision and any cross-border agreements entered into by the Member States, the regulatory authorities or the transmission system operators for the purpose of achieving consensus. Agreements entered into by the relevant Member States shall not deviate from coordinated capacity calculation processes as set out in*** Article ***14 of this Regulation nor from the relevant provisions*** of Regulation (EU) 2015/1222.		

	AM 67 **Article 13 – paragraph 4 a(new)** ***4 a. Where the relevant Member States fail to come to a unanimous decision within the deadline referred to in paragraph 4, or where the Member States become aware of the fact that commitments on which a previous unanimous decision was based were not complied with, they shall immediately notify the Commission.***		
	The Commission shall initiate a conciliation procedure and shall act as a mediator between the relevant Member States. In the conciliation procedure, the relevant Member States shall, within six months of such initiation, adopt a unanimous decision on whether to amend or maintain the bidding zone configuration.		
	Where the relevant Member States in the conciliation fail to adopt a unanimous decision within six months, the Member State with the internal structural congestion shall have the choice to either amend its bidding zone or establish a roadmap with concrete measures on how to overcome the congestions in its national territory in due time. That Member State shall immediately notify its choice to the Commission.		

	For those Member States that choose to amend their bidding zones, the Commission shall adopt a decision within six months of that notification, after a thorough evaluation of all the issues at stake, together with an assessment of all available solutions.		
		4a. Where structural congestion has been identified by one or more transmission system operator or where the bidding zone review recommends a bidding zone change of one or more Member States, the concerned Member States in cooperation with their transmission system operators have the possibility, within 6 months, to define action plans, national or multinational. These action plans shall contain a concrete timetable for adopting measures to reduce the structural congestions identified within the period of *[no later than [4] years after entry into force of this Regulation, specific date to be inserted by OJ]*, including for example acceleration of network development, more efficient use of existing infrastructure, a review of current system operation practices, increased coordination of system operation with relevant neighbouring transmission system operators, review of regulation	

		regarding remedial actions and barriers to increased flexibility and national energy policy measures that shift the location of production and consumption.	
		4b. Member State implementing the actions plans pursuant to paragraph 4a shall ensure that without prejudice to derogations under Articles 14(7a) and 14(7b), the level of allocated capacity set out in Article 14(7) is achieved in the last year of the action plan, and in no case later than end of 2025, the minimum allocated capacity. Member States shall achieve the capacity referred to in this paragraph by means of an linear trajectory. This linear trajectory and the starting of this trajectory, which shall be either the capacity allocated at this border in the year before implementation of the action plan or the average of the three last years before the action plan, whatever is higher, shall be agreed with the Member States of the same capacity calculation region. For the period when a Member State is implementing an action plan, the Member State shall ensure that the capacity made available for cross-zonal trade to be compliant with paragraph 7 is at least equal to the values of the trajectory, including	

		by use of remedial actions in the capacity calculation region, but the decisions of the regulatory authorities referred to in paragraphs 7a and 7b are not applicable to such a Member State. Costs of remedial actions required to follow the trajectory or make available cross-zonal capacity at the borders concerned by the action plan shall be borne by the Member State or Member States implementing the action plan.	
		4c. Six months before the expiry of the action plan, Member States shall decide whether to split their bidding zone to address remaining congestions or whether to address remaining internal congestions with remedial actions for which they shall cover the costs. Yearly during the implementation of the action plan and within six months after the expiry of the action plan, the transmission system operators participating in the bidding zone review shall assess the available cross-zonal capacity calculated in accordance with the methodology referred to in Article 14(7) for the period of the last 12 months, and determine in a report whether the cross-border trade capacity reached the minimum level outlined in Article 14(7). Where a structural	

		congestion has been identified pursuant to paragraph 4a but no action plan was defined within 6 months, the relevant transmission system operators shall within twelve months after a structural congestion has been identified assess the available cross-zonal capacity calculated in accordance with the methodology referred to in Article 14(7) for the period of the last 12 months, and determine in a report whether the cross-border trade capacity reached its minimum level outlined in Article 14(7). The assessments under this paragraph shall be continuously reiterated every 24 months for the period of the last 24 months.	
		4d. For those Member States for which the assessment following paragraph 4c demonstrates that a transmission system operator has not been compliant with the level outlined in Article 14(7) or for those Member States that have opted for a bidding zone split, the relevant Member States shall come to a unanimous decision within 6 months from receiving the report referred in paragraph 4c on whether to maintain or amend the bidding zone configuration. Other Member States may submit comments to the relevant Member	

		States who should take account of these comments when coming to their decision. The decision shall be justified, and shall notified to the Commission and the Agency.	
		4e. Should the relevant Member States fail to come to an unanimous decision within the allowed timeframe, they shall immediately notify the Commission. The Commission may make further proposals and may invite the relevant Member States] for consultation aiming at fostering a balanced solution within three months. As a measure of last resort, the Commission after consultation with the Agency and the relevant stakeholders shall adopt a decision whether to amend or maintain the bidding zone configuration in and between those Member States that are subject to the decision according to paragraph 4d, by six months after receiving of such a notification.	
		4f. In case one of the consecutive reassessments referred to in paragraph 4c demonstrates that a transmission system operator has not been compliant with the provisions from Article 14(7c) the procedure under paragraphs 4d and 4e shall apply.	

5. The decision referred to in paragraph 4 shall be based on the result of the bidding zone review and the transmission system operators' proposal concerning its maintenance or amendment. The decision shall be justified, in particular as regards possible deviations from the result of the bidding zone review.	**AM 68** 5. ***Where the relevant Member State chooses to establish a detailed road map with concrete milestones on how the congestion issues will be resolved, that Member State shall, within six months of the Commission decision, present that roadmap to the Commission and other relevant Member States. During the implementation of the roadmap the relevant Member State shall regularly report to the Commission on the progress made.***	5. The decision referred to in paragraph **4d or** 4**e** shall be based on the **report identifying structural congestion or the** result of the bidding zone review and the transmission system operators' proposal **in paragraph 4a and the report in paragraph 4c** concerning its maintenance or amendment **[ ]**. The decision shall be justified, in particular as regards possible deviations from the result of the bidding zone review **and shall take account of the positions and commitments of the concerned Member States and the comments provided by other Member States**.	
	Irrespective of the concrete progress of the roadmap, the Member State that is implementing a roadmap shall ensure that the cross-border trade capacities are increased every year up to the benchmark level of at least 75% calculated in accordance with Article 14 paragraph ***7, which is to be achieved by the end of 2025. The yearly increase*** shall be ***achieved by means of a linear trajectory.***		

	The starting of this trajectory shall be ***either the capacity allocated at this border in the year before adoption*** of the ***roadmap or the average of the three last years before the adoption of the roadmap, whatever is higher***.		
	Member States shall be considered to be in compliance with Article 14 paragraph 7 if the capacity made available for cross-zonal trade is at least equal to the values of the linear trajectory.		
	AM 69 **Article 13 – paragraph 5 a (new)** ***5a. The relevant transmission system operators and national regulatory authorities shall assess yearly whether the available cross-border capacity has reached the linear trajectory or, as of the end of 2025, the minimum level outlined in Article 14(7).***		

	AM 70 **Article 13 – paragraph 5 b (new)** ***5b. For those Member States for which the assessment referred to in paragraph 5a demonstrates that a transmission system operator has not been compliant with the linear trajectory, or as of the end of 2025, with the level outlined in Article 14 (7), the Commission may recommend additional measures and as a measure of last resort, adopt a decision whether to amend or maintain the bidding zone configuration in and between those Member States.***		
6. Where further bidding zone reviews are launched under Article 32(1)(a), (b) or (c) of Regulation (EU) 2015/1222, the Commission may adopt a decision within six months of the conclusion of that bidding zone review.	**AM 71** ***deleted***	6. Where further bidding zone reviews are launched under **[ ] the capacity allocation and congestion management guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009 the procedure outlined in this Article shall be followed.**	
7. The Commission shall consult relevant stakeholders on its decisions under this Article before they are adopted.	**AM 72** 7. ***Member States and*** the Commission shall consult relevant stakeholders ***before adopting a decision*** under this Article.	**[ ]**	

8. The Commission decision shall specify the date of implementation of a change. That implementation date shall balance the need for expediency with practical considerations, including forward trade of electricity. The Commission may define appropriate transitional arrangements as part of its decision.	**AM 73** 8. The decision ***adopted under this Article*** shall specify the date of implementation of a change. That implementation date shall balance the need for expediency with practical considerations, including forward trade of electricity. Appropriate transitional arrangements ***may be defined*** as part of ***the*** decision.	8. **[ ] Any** decision **adopted according to this Article** shall specify the date of implementation of a change. That implementation date shall balance the need for expediency with practical considerations, including forward trade of electricity **and shall not be less than 12 months after the decision is published unless otherwise agreed with the relevant Member States**. The **[ ] decision** may define appropriate transitional arrangements **[ ].**	
	AM 74 **Article 13 – paragraph 8 a (new)** ***8a. Where further bidding zone reviews are launched under point (a), (b) or (c) of Article 32(1) of Regulation (EU) 2015/1222, paragraphs 4 to 8 of this Article shall apply.***		

Article 14 *General principles of capacity allocation and congestion management*			
1. Network congestion problems shall be addressed with non-discriminatory market-based solutions which give efficient economic signals to the market participants and transmission system operators involved. Network congestion problems shall be solved with non-transaction based methods, i.e. methods that do not involve a selection between the contracts of individual market participants. When taking operational measures to ensure that its transmission system remains in the normal state, the transmission system operator shall take into account the effect of those measures on neighbouring control areas and coordinate such measures with other affected transmission system operators as provided for in Regulation (EU) 1222/2015.		1. Network congestion problems shall be addressed with non-discriminatory market-based solutions which give efficient economic signals to the market participants and transmission system operators involved. Network congestion problems shall be solved with non-transaction based methods, i.e. methods that do not involve a selection between the contracts of individual market participants. When taking operational measures to ensure that its transmission system remains in the normal state, the transmission system operator shall take into account the effect of those measures on neighbouring control areas and coordinate such measures with other affected transmission system operators as provided for in **[ ] the capacity allocation and congestion management guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009**.	

2. Transaction curtailment procedures shall only be used in emergency situations where the transmission system operator must act in an expeditious manner and re-dispatching or countertrading is not possible. Any such procedure shall be applied in a non-discriminatory manner. Except in cases of force majeure, market participants who have been allocated capacity shall be compensated for any curtailment.		2. Transaction curtailment procedures shall only be used in emergency situations where the transmission system operator must act in an expeditious manner and re-dispatching or countertrading is not possible. Any such procedure shall be applied in a non-discriminatory manner. Except in cases of force majeure, market participants who have been allocated capacity shall be compensated for any curtailment.	
		2a. Transmission system operators may decide not to implement the coordinated actions issued by the regional security coordinator of the system operation region or the regional security coordinator himself may reduce the capacities calculated in the coordinated capacity calculation in their coordinated actions where the outcome of the coordinated capacity calculation, carried out pursuant to the capacity allocation and congestion management guideline and paragraphs 3 and 7, would result in a violation of the operational security limits defined by the transmission system operator in accordance with the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009, for example in case of insufficient redispatch potential	

		within the capacity calculation region. Such a deviation shall be duly justified by the relevant transmission system operators. The relevant transmission system operators shall inform the Regional Security Coordinators and the national regulatory authorities of the capacity calculation region of such deviation without undue delay in accordance with Article 38(2a) of this Regulation. Once a year, the Regional Security Coordinator shall report to the relevant national regulatory authorities and the Agency on the deviations pursuant to this paragraph and shall assess the incidences and analyse, if needed, how to avoid such deviations in the future. If the Agency comes to the conclusion that the prerequisites for a deviation pursuant to this paragraph were not fulfilled are of a structural nature, the Agency shall submit an opinion to the relevant regulatory authority and the Commission. The regulatory authority shall take appropriate action against the transmission system operators if the prerequisites for a deviation pursuant to this paragraph were not fulfilled.	

3. The maximum capacity of the interconnections and/or the transmission networks affecting cross-border flows shall be made available to market participants, complying with safety standards of secure network operation. Counter-trading and redispatch, including cross-border redispatch, shall be used to maximise available capacities unless it is demonstrated that it is not beneficial to economic efficiency at Union level.	**AM 75** 3. The maximum capacity of the interconnections and/or the transmission networks affecting cross-border flows shall be made available to market participants, complying with safety standards of secure network operation. Counter-trading and redispatch, including cross-border redispatch, shall be used to maximise available capacities unless it is demonstrated that it is not beneficial to economic efficiency at Union level. ***When allocating cost of remedial actions between transmission system operators, regulators shall analyse to what extent unscheduled flows leaving and re-entering a bidding zone contribute to the congestion observed between two bidding zones and allocate the counter-trading and redispatch costs in proportion to their contribution to the congestion.***	3. **Unless otherwise provided in paragraphs 7, 7a, 7b, 7d and 2a t**he maximum **level of** capacity of the interconnections and/or the transmission networks affect**ed by** cross-border **[ ] capacity** shall be made available to market participants, complying with safety standards of secure network operation. Counter-trading and redispatch, including cross-border redispatch, shall be used to optimize available capacities **[ ] and a coordinated and non-discriminatory process for cross-border remedial actions shall be applied to enable this, following the implementation of the re-dispatching and countertrading cost sharing methodology in accordance with the capacity allocation and congestion management guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009**.	
4. Capacity shall be allocated only by means of explicit capacity auctions or implicit auctions including both capacity and energy. Both methods may coexist on the same interconnection. For intra-day trade continuous trading shall be used, which may be complemented by auctions.		4. Capacity shall be allocated only by means of explicit capacity auctions or implicit auctions including both capacity and energy. Both methods may coexist on the same interconnection. For intra-day trade continuous trading shall be used which may be complemented by auctions.	

5. The highest value bids, whether implicit or explicit in a given timeframe, shall be successful. Other than in the case of new interconnectors which benefit from an exemption under Article 7 of Regulation (EC) No 1228/2003, Article 17 Regulation 714/2009 or Article 59, establishing reserve prices in capacity-allocation methods shall not be allowed.		5. **In case of congestion, t**he **valid** highest value bids **for network capacity**, whether implicit or explicit, **offering the highest value for the (scarce) transmission capacity** in a given timeframe, shall be successful. Other than in the case of new interconnectors which benefit from an exemption under Article 7 of Regulation (EC) No 1228/2003, Article 17 Regulation 714/2009 or Article 59, establishing reserve prices in capacity-allocation methods shall not be allowed.	
6. Capacity shall be freely tradable on a secondary basis, provided that the transmission system operator is informed sufficiently in advance. Where a transmission system operator refuses any secondary trade (transaction), this shall be clearly and transparently communicated and explained to all the market participants by that transmission system operator and notified to the regulatory authority.		6. Capacity shall be freely tradable on a secondary basis, provided that the transmission system operator is informed sufficiently in advance. Where a transmission system operator refuses any secondary trade (transaction), this shall be clearly and transparently communicated and explained to all the market participants by that transmission system operator and notified to the regulatory authority.	

7. Transmission system operators shall not limit the volume of interconnection capacity to be made available to other market participants in order to solve congestion inside their own control area or as a means of managing flows on a border between two control areas observed even without any transaction, that is to say flows over control areas caused by origin and destination within one control area.	**AM 76** 7. Transmission system operators shall not limit the volume of interconnection capacity to be made available to other market participants in order to solve congestion inside their own control area or as a means of managing flows on a border between two control areas observed even without any transaction, that is to say flows over control areas caused by origin and destination within one control area.	7. Transmission system operators shall not limit the volume of interconnection capacity to be made available to **[ ]** market participants in order to solve congestion inside their own **bidding zone or as a means of managing flows leaving and re-entering the same bidding zone without being scheduled unless otherwise provided under paragraph 7a or 7b.**	
	Without prejudice to the forth subparagraph of Article 13(5), this paragraph shall be considered to be complied with if the following minimum levels of available capacity for cross-zonal trade, which is calculated pursuant to the capacity allocation and congestion management guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009 taking account of contingencies, are reached:	**Without prejudice to the application of the derogations under paragraph 7a and 7b, this paragraph shall be considered to be complied with if the following minimum levels of available capacity for cross-zonal trade, which is calculated pursuant to the capacity allocation and congestion management guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009 taking account of N-1 criterion, are reached:**	
	(i) for borders using a coordinated net transfer capacity approach, if at least 75 % of the net transfer capacity pursuant to capacity allocation and congestion management guideline are made available for cross-border trade;	**(i) For borders using a coordinated net transmission capacity approach, 75% of the net transfer capacity pursuant to capacity allocation and congestion management guideline adopted on the basis of Article 18 of the Regulation 714/2009;**	

	(ii) for borders using a flow-based approach, if on cross-zonal and internal critical network elements considered in the flow-based calculation at least 75 % of the thermal capacity after reduction of the amount required to secure the N-1 principle pursuant to the capacity allocation and congestion management guideline is used as an input for capacity allocation.	**(ii) For borders using a flow-based approach, 75% of the remaining available margin on internal and cross border critical network elements made available for cross border flows pursuant to capacity allocation and congestion management guideline adopted on the basis of Article 18 of the Regulation 714/2009.**	
		The derogations pursuant to paragraph 7a shall not result with a value below this threshold.	
		7a. Based on a proposal by all transmission system operators of a capacity calculation region , the relevant regulatory authorities by way of derogation from paragraph 7 shall approve the level of total available cross-zonal capacity at each bidding zone border, which shall be used in the capacity calculation methodology, to take account of cross-zonal unscheduled flows to the extent that could be expected without structural congestions in a bidding zone.	

Upon request by a transmission system operator, the relevant regulatory authority may grant a derogation from the first subparagraph where it is necessary for maintaining operational security or where it is beneficial to economic efficiency at Union level. Such a derogation, which may not relate to curtailment of already allocated capacities pursuant to paragraph 5, shall be limited in time, strictly limited to what is necessary, and avoid discrimination between internal and cross-zonal exchanges. Before granting a derogation, the relevant regulatory authority shall consult the regulatory authorities of other Member States forming part of an affected capacity calculation region. In case a regulatory authority disagrees with the proposed derogation, the Agency shall decide on the derogation pursuant to Article 6(8)(a) [recast of Regulation (EC) No 713/2009 as proposed by COM(2016) 863/2]. The justification and reasons for the derogation shall be published. Where a derogation is granted, the relevant transmission system operators shall develop and publish a methodology and projects that shall provide a long-term solution to the issue that the derogation seeks to address. The derogation shall expire when the time limit is reached or, once the solution is applied, whichever is earlier.		**7b.** Upon request by **[ ]** transmission system operator**s of a capacity calculation region [ ]** the relevant regulatory authorit**ies** may grant a derogation from **[ ] paragraph 7 for foreseeable reasons** where it is necessary for maintaining operational security **[ ] other than the ones covered under paragraph 7a, for instance in case of grid maintenance measures**. Such a derogation, which may not relate to curtailment of already allocated capacities pursuant to paragraph 5, shall be limited **[ ] to one year at a time, or up to maximum two years with a significantly decreasing level of the derogation each year**, strictly limited to what is necessary, and avoid discrimination between internal and cross-zonal exchanges. **[ ]** The justification and reasons for the derogation shall be published. Where a derogation is granted, the relevant transmission system operators shall develop and publish a methodology and projects **[ ]** that shall provide a long-term solution to the issue that the derogation seeks to address. The derogation shall expire when the time limit is reached or, once the solution is applied, whichever is earlier.	

8. Market participants shall inform the transmission system operators concerned a reasonable time in advance of the relevant operational period whether they intend to use allocated capacity. Any allocated capacity that will not be used shall be reattributed to the market, in an open, transparent and non-discriminatory manner.		8. Market participants shall inform the transmission system operators concerned a reasonable time in advance of the relevant operational period whether they intend to use allocated capacity. Any allocated capacity that will not be used shall be reattributed to the market, in an open, transparent and non-discriminatory manner.	
9. Transmission system operators shall, as far as technically possible, net the capacity requirements of any power flows in opposite direction over the congested interconnection line in order to use that line to its maximum capacity. Having full regard to network security, transactions that relieve the congestion shall never be denied.		9. Transmission system operators shall, as far as technically possible, net the capacity requirements of any power flows in opposite direction over the congested interconnection line in order to use that line to its maximum capacity. Having full regard to network security, transactions that relieve the congestion shall never be denied.	
10. The financial consequences of failure to honour obligations associated with the allocation of capacity shall be attributed to those who are responsible for such a failure. Where market participants fail to use the capacity that they have committed to use, or, in the case of explicitly auctioned capacity, fail to trade on a secondary basis or give the capacity back in due time, they shall lose the rights to such capacity and pay a cost-reflective charge. Any cost-reflective charges for the non-use of capacity shall be justified and proportionate. If a transmission		10. The financial consequences of failure to honour obligations associated with the allocation of capacity shall be attributed to those who are responsible for such a failure. Where market participants fail to use the capacity that they have committed to use, or, in the case of explicitly auctioned capacity, fail to trade on a secondary basis or give the capacity back in due time, they shall lose the rights to such capacity and pay a cost-reflective charge. Any cost-reflective charges for the non-use of capacity shall be justified and proportionate. If a transmission system operator does	

system operator does not fulfil its obligation, it shall be liable to compensate the market participant for the loss of capacity rights. Consequential losses shall not be taken into account for that purpose. The key concepts and methods for the determination of liabilities that accrue upon failure to honour obligations shall be set out in advance in respect of the financial consequences, and shall be subject to review by the relevant national regulatory authority or authorities.		not fulfil its obligation, it shall be liable to compensate the market participant for the loss of capacity rights. Consequential losses shall not be taken into account for that purpose. The key concepts and methods for the determination of liabilities that accrue upon failure to honour obligations shall be set out in advance in respect of the financial consequences, and shall be subject to review by the relevant **[ ]** regulatory authority or authorities.	
		11. When allocating costs of remedial actions between transmission system operators, regulators shall analyse to what extent flows leaving and re-entering a bidding zone without being scheduled contribute to the congestion between two bidding zones observed, and allocate the costs in proportion to the contribution to the congestion in line with re-dispatching and countertrading cost sharing methodology in accordance with the capacity allocation and congestion management guideline adopted on the basis of Article 18 of Regulation (EU) 714/2009 and Article 76 of Commission Regulation (EU) 2017/XYZZ. This shall not apply to the threshold pursuant to paragraph 7a.	

Article 15 *Allocation of cross-zonal capacity across timeframes*			
1. Transmission system operators shall recalculate available cross-zonal capacity at least after day-ahead and after intraday cross-zonal gate closure times. Transmission system operators shall allocate the available cross-zonal capacity plus any remaining cross-zonal capacity not previously allocated and any cross-zonal capacity released by physical transmission right holders from previous allocations in the next cross-zonal capacity allocation process.		1. Transmission system operators shall recalculate available cross-zonal capacity at least after day-ahead and after intraday cross-zonal gate closure times. Transmission system operators shall allocate the available cross-zonal capacity plus any remaining cross-zonal capacity not previously allocated and any cross-zonal capacity released by physical transmission right holders from previous allocations in the next cross-zonal capacity allocation process.	
		1a. Transmission system operators shall define an appropriate structure for the allocation of cross-zonal capacity across timeframes, including day-ahead, intraday and balancing. Such an allocation structure shall be subject to review by the respective regulatory authorities. In drawing up their proposal, the TSOs shall take into account:	

		a) the characteristics of the markets;	
		b) the operational condition, such as the implications of netting firmly declared schedules;	
		c) the level of harmonisation of the percentages and timeframes adopted for the different cross-zonal capacity allocation mechanisms in place.	
2. When cross-zonal capacity is available after the intraday cross-zonal gate closure time, transmission system operators shall use the cross-zonal capacity for the exchange of balancing energy or for operating the imbalance netting process.		2. When cross-zonal capacity is available after the intraday cross-zonal gate closure time, transmission system operators shall use the cross-zonal capacity for the exchange of balancing energy or for operating the imbalance netting process.	
3. Transmission system operators shall use the methodologies developed in network codes and guidelines on balancing, where applicable, to allocate cross-zonal capacity for the exchange of balancing capacity or sharing of reserves pursuant to Article 5(4) and (7).		3. **Where cross-zonal capacity is allocated for the exchange of balancing capacity or sharing of reserves pursuant to Article 5(8),** transmission system operators shall use the methodologies developed in **[ ] accordance with the balancing guideline adopted on the basis of Article 18 of the Regulation 714/2009.**	
4. Transmission system operators shall not increase the reliability margin calculated pursuant to Regulation (EU) 2015/1222 due to the exchange of balancing capacity or sharing of reserves.		4. Transmission system operators shall not increase the reliability margin calculated pursuant to Regulation (EU) 2015/1222 due to the exchange of balancing capacity or sharing of reserves.	

Section 2 Network charges and congestion income			
Article 16 *Charges for access to networks*	**AM 77** Charges for access to networks***, use of networks and reinforcement***	*Article 16* *Charges for **connection and** access to networks*	
1. Charges applied by network operators for access to networks, including charges for connection to the networks, charges for use of networks, and, where applicable, charges for related network reinforcements, shall be transparent, take into account the need for network security and flexibility and reflect actual costs incurred insofar as they correspond to those of an efficient and structurally comparable network operator and are applied in a non-discriminatory manner. In particular, they shall be applied in a way which does not discriminate between production connected at the distribution level and production connected at the transmission level, either positively or negatively. They shall not discriminate against energy storage and shall not create disincentives for participation in demand response. Without prejudice to paragraph 3, those charges shall not be distance-related.	**AM 78** 1. Charges applied by network operators for access to networks , including charges for connection to the networks, charges for use of networks, and, where applicable, charges for related network reinforcements, shall be ***fair, cost-reflective,*** transparent, take into account the need for network security and flexibility and reflect actual costs incurred insofar as they correspond to those of an efficient and structurally comparable network operator and are applied in a non-discriminatory manner. ***Grid tariffs shall not include unrelated costs supporting other policy objectives, such as taxes or levies, as this would distort production, consumption and investment decisions.*** In particular, they shall ***neutrally support overall system efficiency in the long run through price signals to consumers and producers and they shall as far as possible*** be applied in a way which does not discriminate between production connected at the distribution level and production connected at the transmission level,	1. Charges applied by network operators for access to networks, including charges for connection to the networks, charges for use of networks, and, where applicable, charges for related network reinforcements, shall be transparent, take into account the need for network security and flexibility and reflect actual costs incurred insofar as they correspond to those of an efficient and structurally comparable network operator and are applied in a non-discriminatory manner. **[ ]** **Without prejudice to Article 15(1) and (6) and the criteria in Annex XI of Directive 2012/27/EU the method used to develop the network charges** shall **in particular** be applied in a way which does not discriminate between production connected at the distribution level and production connected at the transmission level, either positively or negatively. They shall not **unduly** discriminate **either positively or negatively** against energy storage and shall not create disincentives for participation in demand response. Without prejudice	

	either positively or negatively. They shall not discriminate against energy storage and ***aggregation and*** shall not create disincentives ***for self-generation, self-consumption and*** for participation in demand response. Without prejudice to paragraph 3, those charges shall not be distance-related.	to paragraph 3, those charges shall not be distance-related.	
2. Tariffs shall grant appropriate incentives to transmission and distribution system operators, over both the short and long term, to increase efficiencies, including energy efficiency, foster market integration and security of supply, and support investments and the related research activities.	**AM 79** 2. Tariffs shall grant appropriate incentives to transmission and distribution system operators, over both the short and long term, to increase efficiencies, including energy efficiency, foster market integration and security of supply, and ***global competitiveness, and*** support ***efficient*** investments***, in particular in digitalisation, flexibility services and interconnections,*** and the related research activities. ***Tariffs shall not create disincentives for energy storage, demand response or self-generation production.***	2. Tariff **methodologies** shall **[ ] reflect** appropriate incentives **and fixed costs of** transmission and distribution system operators. **The allowed revenues to be recovered through tariffs shall reflect appropriate incentives to transmission and distribution system operators** over both the short and long term, to increase efficiencies, including energy efficiency, foster market integration, **[ ]** security of supply, and support investments, **[ ] the related research activities and facilitate innovation in the consumer's interest**.	
3. Where appropriate, the level of the tariffs applied to producers and/or consumers shall provide locational signals at Union level, and take into account the amount of network losses and congestion caused, and investment costs for infrastructure.		3. Where appropriate, the level of the tariffs applied to producers and/or consumers shall provide locational signals at Union level, and take into account the amount of network losses and congestion caused, and investment costs for infrastructure.	

4. When setting the charges for network access, the following shall be taken into account:		4. When setting the charges for network access, the following shall be taken into account:	
(a) payments and receipts resulting from the inter-transmission system operator compensation mechanism;		(a) payments and receipts resulting from the inter-transmission system operator compensation mechanism;	
(b) actual payments made and received as well as payments expected for future periods of time, estimated on the basis of past periods.		(b) actual payments made and received as well as payments expected for future periods of time, estimated on the basis of past periods.	
5. Setting the charges for network access under this Article shall be without prejudice to charges resulting from congestion management referred to in Article 14.		5. Setting the charges for network access under this Article shall be without prejudice to charges resulting from congestion management referred to in Article 14.	
6. There shall be no specific network charge on individual transactions for cross-border trade of electricity.		6. There shall be no specific network charge on individual transactions for cross-**[ ] zonal** trade of electricity.	
7. Distribution tariffs shall reflect the cost of use of the distribution network by system users including active customers, and may be differentiated based on system users' consumption or generation profiles. Where Member States have implemented the deployment of smart metering systems, regulatory authorities may introduce time differentiated network tariffs, reflecting the use of the network, in a transparent and foreseeable way for	**AM 80** 7. ***Transmission and*** distribution tariffs shall ***be cost-reflective by taking into account the investment cost, added value of distributed generation, flexibility, digitalisation, demand response, storage and*** use of the ***transmission and*** distribution network by system users including active customers, ***may contain grid connection capacity elements*** and may be differentiated based on system users' consumption or generation	7. Distribution tariffs shall reflect the cost of use of the distribution network by system users including active customers, and may be differentiated based on system users' consumption or generation profiles. Where Member States have implemented the deployment of smart metering systems, **[ ]** time differentiated network tariffs **may be introduced**, reflecting the use of the network, in a transparent and	

the consumer.	profiles. Where Member States have implemented the deployment of smart metering systems, ***competent*** regulatory authorities ***shall*** introduce time differentiated network tariffs, reflecting the use of the network, in a transparent and foreseeable ***and cost efficient*** way for the consumer. ***Member States shall ensure that tariffs are not discriminatory.***	foreseeable way for the consumer.	
8. Regulatory authorities shall provide incentives to distribution system operators to procure services for the operation and development of their networks and integrate innovative solutions in the distribution systems. For that purpose regulatory authorities shall recognise as eligible and include all relevant costs in distribution tariffs and introduce performance targets in order to incentivise distribution system operators to raise efficiencies, including energy efficiency, in their networks.	**AM 81** 8. Regulatory authorities shall provide incentives to distribution system operators for the ***most efficient*** operation and development of their networks and integrate innovative solutions in the distribution systems***, including through the procurement of services***. For that purpose regulatory authorities shall recognise as eligible and include all relevant costs in distribution tariffs and introduce performance targets in order to incentivise distribution system operators to raise efficiencies, including energy efficiency, ***flexibility and the digitalisation of the distribution networks including the deployment of smart grids and intelligent metering systems,*** in their networks.	8. **[ ] The allowed revenues to be covered through d**istribution tariffs may include performance targets in order to incentivise distribution system operators **[ ] to operate their networks as efficiently as possible.**	

9. By [OP: please add specific date – three months after entry into force] the Agency shall provide a recommendation addressed to regulatory authorities on the progressive convergence of transmission and distribution tariff methodologies. That recommendation shall address at least:	**AM 82** 9. By [OP: please add specific date – three months after entry into force] the Agency shall ***evaluate the feasibility*** on the convergence of transmission and distribution tariff methodologies. ***The feasibility study*** shall address at least:	9. By [OP: please add specific date – three months after entry into force] **to mitigate the risk of market fragmentation** the Agency shall provide a **[ ] best practice report** on **[ ]** transmission and distribution tariff methodologies **while leaving sufficient room to take national specificities into account**. That **[ ] best practice report** shall address at least:	
(a) the ratio of tariffs applied to producers and to consumers;		(a) the ratio of tariffs applied to producers and to consumers;	
(b) the costs to be recovered by tariffs;		(b) the costs to be recovered by tariffs;	
(c) time differentiated network tariffs;		(c) time differentiated network tariffs;	
(d) locational signals;		(d) locational signals;	
(e) the relationship between transmission and distribution tariffs, including principles relating to non-discrimination;		(e) the relationship between transmission and distribution tariffs, **[ ]**	
(f) methods to ensure transparency in the setting and structure of tariffs;		(f) methods to ensure transparency in the setting and structure of tariffs;	
(g) groups of network users subject to tariffs, including tariff exemptions.	**AM 83** (g) groups of network users subject to tariffs ***according to characteristics and forms of consumption***, including tariff exemptions	(g) groups of network users subject to tariffs, including tariff exemptions.	
		The Agency shall update its report at least once every two years.	

	AM 84 **Article 16 – paragraph 9 a (new)** ***9a. Regulatory authorities shall adopt a set of indicators for measuring the performance of transmission and distribution system operators, which should at least include all of the following:***		
	(a) volume of curtailed energy in MWh, disaggregated per type of generation source;		
	(b) percentage of the length of lines operated under dynamic line ratings;		
	(c) percentage of substations remotely monitored and controlled in real-time;		
	(d) percentage of the length of lines operated under dynamic line ratings;		
	(e) losses in high, medium and low-voltage grids;		
	(f) the frequency and duration of power interruptions on the grid.		
	By [two years after the entry into force of this Regulation], and every two years thereafter, regulatory authorities shall publish a report on the performance of transmission and distribution system operators, together with recommendations for improvement where necessary.		

10. Without prejudice to further harmonisation by way of delegated acts pursuant to Article 55(1)(k), regulatory authorities shall take the Agency's recommendation duly into consideration when approving or fixing transmission tariffs or their methodologies in accordance with Article 59(6)(a) of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2].		[ ]	
11. The Agency shall monitor the implementation of its recommendation and provide a report to the Commission by 31st January each year. It shall update the recommendation at least once every two years.		[ ]	
Article 17 *Congestion income*			
1. Congestion-management procedures associated with a pre-specified timeframe may generate revenue only in the event of congestion which arises for that timeframe, except in the case of new interconnectors which benefit from an exemption under Article 7 of Regulation (EC) No 1228/2003, Article 17 of Regulation (EC) No 714/2009 or Article 59. The procedure for the distribution of those revenues shall be subject to review by the regulatory authorities and shall neither distort the allocation		1. Congestion-management procedures associated with a pre-specified timeframe may generate revenue only in the event of congestion which arises for that timeframe, except in the case of new interconnectors which benefit from an exemption under Article 7 of Regulation (EC) No 1228/2003, Article 17 of Regulation (EC) No 714/2009 or Article 59. The procedure for the distribution of those revenues shall be subject to review by the regulatory authorities and shall neither distort the allocation process in favour	

process in favour of any party requesting capacity or energy nor provide a disincentive to reduce congestion.		of any party requesting capacity or energy nor provide a disincentive to reduce congestion.	
2. Any revenues resulting from the allocation of interconnection capacity shall be used for the following purposes:	**AM 85** 2. Any revenues resulting from the allocation of interconnection capacity shall be used for the following purposes:	2. Any revenues resulting from the allocation of interconnection capacity shall be used for the following purposes:	
(a) guaranteeing the actual availability of the allocated capacity;	(a) guaranteeing the actual availability of the allocated capacity; ***or***	(a) guaranteeing the actual availability of the allocated capacity **including firmness compensation**;	
(b) maintaining or increasing interconnection capacities through network investments, in particular in new interconnectors.	(b) maintaining or increasing interconnection capacities through ***optimisation of the usage of existing interconnectors by coordinated remedial and countertrading actions or*** network investments, ***up to the target value for transfer capacity at cross-border boundaries***.	(b) maintaining or increasing interconnection capacities through network investments, in particular in new interconnectors **and internal lines and internal lines which are listed in Ten Years Network Development Plan of the ENTSO for Electricity as being relevant to reduce interconnector congestion,**	
		(c) or if applicable, cross border remedial actions such as redispatch and counter-trading.	
If the revenues cannot be efficiently used for the purposes set out in points (a) or (b) of the first subparagraph, they shall be placed on a separate internal account line for future use on these purposes.	***Where the objectives*** set out in points (a) ***and*** (b) of the first subparagraph ***are fulfilled, the residual revenues may be used as income to be taken into*** account ***by the national regulatory authorities when approving the methodology for calculating network tariffs and/or fixing network tariffs***.	**2a. [ ] T**he revenues **[ ] may be used, subject to the approval by the regulatory authorities of the Member States concerned, as income to be taken into account by the regulatory authorities when approving the methodology for calculating network tariffs and/or fixing network tariffs.**	

3. The use of revenues in accordance with points (a) and (b) of paragraph 2 shall be subject to a methodology proposed by the Agency and approved by the Commission. The Agency's proposal shall be submitted to the Commission by [OP: 12 months after entry into force] and be approved within six months.	**AM 86** 3. The use of revenues in accordance with **[ ]** paragraph 2 shall be subject to a methodology proposed by the Agency and approved by the Commission. The Agency's proposal shall be submitted to the Commission by [OP: 12 months after entry into force] and be approved within six months.	3. The use of revenues in accordance with points (a) **[ ]** (b) **or (c)** of paragraph 2 shall be subject to a methodology proposed **[ ] by the transmission system operators in consultation with regulatory authorities and approved by the Agency. The transmission system operators shall submit the proposal to the Agency by [*OP: 12 months after entry into force*] and the Agency shall decide on it within six months.**	
The Agency may, at its own initiative or upon a request from the Commission update the methodology and the Commission shall approve the updated methodology not later than six months from its submission.		**[ ]**	
Before submission to the Commission, the Agency shall consult on the methodology pursuant to Article 15 [recast of Regulation (EC) No 713/2009 as proposed by COM(2016) 863/2].		**[ ]**	
The methodology shall detail as a minimum the conditions under which the revenues can be used for points (a) and (b) of paragraph 2 and the conditions under which, and for how long, they may be placed on a separate internal account line for future use on those purposes.	The methodology shall detail as a minimum the conditions under which the revenues can be used for **[ ]** paragraph 2 and the conditions under which, and for how long, they may be placed on a separate internal account line for future use on those purposes.	**3a.** The methodology shall detail as a minimum the conditions under which the revenues **[ ] are deemed to have fulfilled the objectives expressed in** points (a) **[ ]** (b) **or (c)** of paragraph 2 **[ ].**	

4. Transmission system operators shall clearly establish beforehand how any congestion income will be used, and report on the actual use of that income. On an annual basis, and by 31 July each year, the national regulatory authorities shall publish a report setting out the amount of revenue collected for the 12-month period ending on 30 June of the same year and how that revenue was used, including the specific projects the income has been used for or the amount placed on a separate account line, together with verification that that use complies with this Regulation and the methodology developed pursuant to paragraph 3.	**AM 87** 4. Transmission system operators shall clearly establish beforehand how any congestion income will be used, and report on the actual use of that income. On an annual basis, and by 31 July each year, the national regulatory authorities shall publish a report setting out the amount of revenue collected for the 12-month period ending on 30 June of the same year and how that revenue was used, including the specific projects the income has been used for the amount placed on a separate account line***, or the amount that has been used when calculating network tariffs***, together with verification that that use complies with this Regulation***. Where some of the congestion revenues are used when calculating network tariffs, the report may set out the fulfilment by the transmission system operator of the commitment and balance sheet criteria*** pursuant to paragraph ***2***.	**3b.** Transmission system operators shall clearly establish beforehand how any congestion income will be used, and report on the actual use of that income. On an annual basis, and by **[ ] 1 March** each year, the **[ ]** regulatory authorities shall publish a report setting out the amount of revenue collected for the 12-month period ending on 3**1 [ ] December** of the **[ ] previous calendar** year and how that revenue was used **pursuant to paragraph 2**, including the specific projects the income has been used for or the amount placed on a separate account line **or the amount that has been used when calculating network tariffs**, together with verification that that use complies with this Regulation and the methodology developed pursuant to paragraph 3. **In such cases where some of the congestion revenues are used when calculating network tariffs, the report shall set out how the TSOs fulfilled the priority objectives in Article 2 where applicable.**	

Chapter IV Resource adequacy			
	AM 88 Resource adequacy ***and capacity mechanisms***	*Article 18* *Resource adequacy*	
1. Member States shall monitor resource adequacy within their territory based on the European resource adequacy assessment pursuant to Article 19.	**AM 89** 1. Member States shall monitor resource adequacy within their territory based on the European resource adequacy assessment pursuant to Article 19 ***and shall publish a report on the results of the monitoring***.	1. Member States shall monitor resource adequacy within their territory **[ ] based on** the European resource adequacy assessment pursuant to Article 19 **and may perform in addition national resource adequacy assessment pursuant to Article 19a.**	
2. Where the European resource adequacy assessment identifies a resource adequacy concern Member States shall identify any regulatory distortions that caused or contributed to the emergence of the concern.	**AM 90** 2. Where the European resource adequacy assessment identifies a resource adequacy concern Member States shall identify any regulatory distortions ***and/or market failures*** that caused or contributed to the emergence of the concern.	2. Where the European **or the national** resource adequacy assessment**s** identif**y** a resource adequacy concern Member States shall identify any regulatory distortions **or market distortions, or system bottlenecks such as insufficient infrastructure,** that caused or contributed to the emergence of the concern.	
3. Member States shall publish a timeline for adopting measures to eliminate any identified regulatory distortions. When addressing resource adequacy concerns Member States shall in particular consider removing regulatory distortions, enabling scarcity pricing, developing interconnection, energy storage, demand side measures and energy efficiency.	**AM 91** 3. A Member State ***with identified adequacy concerns*** shall publish ***an implementation plan with*** a timeline for adopting measures to eliminate any identified regulatory distortions ***and/or market failures***. When addressing resource adequacy concerns, the Member States shall ***build on the principles set out in Article 3 and*** in particular***:***	3. Member States shall publish **roadmap with a concrete** timeline for adopting measures to eliminate any identified regulatory distortions **[ ] or market distortions, or system bottlenecks**. When addressing resource adequacy concerns Member States shall in particular **take into account the principles defined in Article 3 and** consider removing regulatory distortions, enabling scarcity pricing **via free price**	

		formation , developing interconnections **with other Member States**, **allowing for undistorted market access for all market participants including, but not limited to** energy storage**,** demand side measures and energy efficiency.	
	(a) remove regulatory distortions***;***		
	(b) remove price caps;		
	(c) introduce an administrative shortage pricing ***for balancing energy;***		
	(d) increase interconnection ***and internal grid capacity;***		
	(e) enable self-generation, energy storage, demand side measures and energy efficiency ***by removing regulatory obstacles;***		
	(f) ensure cost-efficient and market-based procurement of balancing and ancillary services;		
	(g) remove regulated prices in accordance with Article 5 of Directive (EU) ... [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2] .		
	AM 92 **Article 18 – paragraph 3 a (new)** ***3 a. The Member States shall submit the implementation plan to the Commission for review.***		

	AM 93 **Article 18 – paragraph 3 b (new)** ***3 b. The Commission may decide, within two months of receipt of the implementation plan, whether the measures are sufficient to eliminate the regulatory distortions and/or market failures and may require the Member State to amend the implementation plan accordingly.***		
	AM 94 **Article 18 – paragraph 3 c (new)** ***3 c. The Member State shall monitor the application of the implementation plan and shall publish the results in an annual report.***		
	AM 95 **Article 18 – paragraph 3 d (new)** ***3 d. The Member State shall submit a report relating to their monitoring of the application of the implementation plan to the Agency for an opinion.***		
	AM 96 **Article 18 – paragraph 3 e (new)** ***3 e. The Agency shall submit its opinion under paragraph 3d to the Commission. The Commission shall decide whether the reforms have been sufficiently implemented.***		

		3a. Where the national resource adequacy assessment identifies a concern with regards to a bidding zone and the European resource adequacy assessment has not identified a concern with regards to the same bidding zone, the body governing the national resource adequacy assessment shall consult the ENTSO for Electricity and request for an opinion of the Agency. To this extend the body governing the national resource adequacy assessment shall, within one month from the publication of the national resource adequacy assessment, submit to the ENTSO for Electricity and the Agency a report reasoning the occurring divergence between the two resource adequacy assessments. Within one months from the date of the submission of the report the ENTSO for Electricity shall provide its assessment on these divergences and within two months from the date of the submission of the report the Agency shall provide an opinion. The concerned Member State shall take due notice of the assessment and the opinion.	

	AM 97 **Article 18 a (new)** ***General principles for capacity mechanisms***		
	1. To address residual concerns that cannot be eliminated by the measures pursuant to Article 18(3), Member States may, as a last resort and subject this Article and to Union State aid rules, introduce capacity mechanisms		
	2. Before introducing capacity mechanisms under paragraph, as referred to in paragraph 1, Member States shall conduct a comprehensive study of their possible effects on the neighbouring Member States by consulting, at least, its electrically connected neighbouring Member States and the stakeholders of those Member States.		
	3. Member States shall assess whether a capacity mechanism in the form of strategic reserve can address the adequacy concerns. Where this is not the case, Member States may implement a different type of capacity mechanism. The parameters determining the amount of capacity procured in the capacity mechanism shall be approved by the national regulatory authority.		

	4. Member States shall not introduce capacity mechanisms where one or both of the following applies: (a) the European resource adequacy assessment has not identified a resource adequacy concern; (b) the detailed implementation plan as referred to in Article 18(3) has not received a positive decision by the Commission as referred to in Article 18(3b).		
	5. Where a Member State already applies a capacity mechanism, it shall review that mechanism and shall provide that no new contracts are concluded under that mechanism where one or both of the following applies:		
	(a) the European resource adequacy assessment has not identified a resource adequacy concern;		
	(b) the detailed implementation plan as referred to in Article 18(3) has not received a positive decision by the Commission as referred to in Article 18(3b).		

	6. Capacity mechanisms shall be temporary. They shall be approved by the Commission for no longer than five years. They shall be phased out or the amount of the committed capacities shall be reduced based on the implementation plan pursuant to Article 18(3). Member States shall continue the application of the implementation plan after the introduction of the capacity mechanism.		
	7. Generation capacity which has started commercial production after [OP: date of entry into force of this Regulation] shall be eligible to participate in a capacity mechanism only if its emissions are below 550 gr CO2/kWh. With the exception of strategic reserves generation capacity emitting 550 gr CO2/kWh or more shall not be committed in capacity mechanisms after [OP: 5 years after the entry into force of this Regulation]		

Article 19 *European resource adequacy assessment*			
1. The European resource adequacy assessment shall cover the overall adequacy of the electricity system to supply current and projected demands for electricity for a ten-year period from the date of that assessment, in a yearly resolution.	**AM 98** 1. The European resource adequacy assessment shall ***determine resource adequacy concerns by assessing*** the overall adequacy of the electricity system to supply current and projected demands for electricity ***in the Union, within the relevant Member States in the region, for each Member State and down to each bidding zone where relevant,*** for a ten-year period from the date of that assessment, in a yearly resolution.	1. The European resource adequacy assessment shall cover the overall adequacy of the electricity system to supply current and projected demands for electricity **for every single year within** for a ten-year period from the date of that assessment **[ ].**	
	AM 99 **Article 19 – paragraph 1 a (new)** ***1a. The European resource assessment shall be conducted by the ENTSO for Electricity.***		
2. By [OP: six months after entry into force of this Regulation], the ENTSO for Electricity shall submit to the Agency a draft methodology for the European resource adequacy assessment based on the principles provided for in paragraph 4.		2. By *[OP: six months after entry into force of this Regulation]*, the ENTSO for Electricity shall submit to the **Electricity Coordination Group and the** Agency a draft methodology for the European resource adequacy assessment based on the principles provided for in paragraph 4.	

3. Transmission system operators shall provide the ENTSO for Electricity with the data it needs to carry out, every year, the European resource adequacy assessment. The ENTSO for Electricity shall carry out the assessment every year.	**AM 100** 3. Transmission system operators shall provide the ENTSO for Electricity with the ***necessary*** data***. The transmission system operators*** shall ***have the right to request relevant data not containing commercially sensitive information, and not already collected by the relevant DSO, from generators and other market participants***.	3. Transmission system operators shall provide the ENTSO for Electricity with the data it needs to carry out **[ ]** the European resource adequacy assessment. The ENTSO for Electricity shall carry out the assessment every year**. Generators and other market participants shall provide transmission system operators with data regarding expected utilization of the generation resources, considering the availability of primary resources and appropriate scenarios of projected demand and supply.**	
4. The European resource adequacy assessment shall be based on a methodology which shall ensure that the assessment:	**AM 101** **Article 19 – paragraph 4 – introductory part** 4. The European resource adequacy assessment shall be based on a ***transparent*** methodology which shall ensure that the assessment:	4. The European resource adequacy assessment shall be based on a methodology which shall **[ ] make possible** that the assessment:	
(a) is carried out on bidding zone level covering at least all Member States;		(a) is carried out on **each respective** bidding zone level covering at least all Member States;	
(b) is based on appropriate scenarios of projected demand and supply including an economic assessment of the likelihood of retirement, new-build of generation assets and measures to reach energy efficiency targets and appropriate sensitivities on wholesale prices and carbon price developments;	**AM 102** (b) is based on appropriate scenarios of projected demand and supply including an economic assessment of the likelihood of retirement, ***mothballing,*** new-build of generation assets and measures to reach energy efficiency ***and electricity interconnection*** targets and appropriate sensitivities on wholesale prices and carbon price developments;	(b) is based on appropriate **central** scenarios of projected demand and supply including an economic assessment of the likelihood of retirement, new-build of generation assets and measures to reach energy efficiency targets and appropriate sensitivities on **extreme weather events, hydrological conditions,** wholesale prices and carbon price developments;	

	AM 103 **Article 19 – paragraph 4 – point b a (new)** ***(ba) contains a worst case scenario which reflects the exceptionality and different likeliness of the rare events a strategic reserve is designed to address; the generation adequacy gap in such a worst case scenario shall only justify a strategic reserve with a size of not more than 5% of the peak load of the respective Member State;***		
		(ba) reflects on how the different types of capacity mechanisms address adequacy concerns;	
(c) appropriately takes account of the contribution of all resources including existing and future generation, energy storage, demand response, and import and export possibilities and their contribution to flexible system operation;	**AM 104** (c) appropriately takes account of the contribution of all resources including existing and future generation, energy storage, ***sectoral integration,*** demand response, and import and export possibilities and their contribution to flexible system operation;	(c) appropriately takes account of the contribution of all resources including existing and future generation, energy storage, demand response, and import and export possibilities and their contribution to flexible system operation;	
(d) anticipates the likely impact of the measures referred in Article 18(3);		(d) anticipates the likely impact of the measures referred in Article 18(3);	
(e) includes scenarios without existing or planned capacity mechanisms;		(e) includes scenarios without **and where applicable with** existing or planned capacity mechanisms;	

(f) is based on a market model using, where applicable, the flow-based approach;		(f) is based on a market model using, where applicable, the flow-based approach;	
(g) applies probabilistic calculations;		(g) applies probabilistic calculations;	
		(ga) applies a single modelling tool with the possibility to use it for national scenarios, sensitivities and assumptions;	
(h) applies at least the following indicators:		(h) applies at least the following indicators **referred to in Article 20**:	
– "expected energy not served", and		– "expected energy not served", and	
– "loss of load expectation";		– "loss of load expectation";	
(i) identifies the sources of possible resource adequacy concerns, in particular whether it is a network or a resource constraint, or both.		(i) identifies the sources of possible resource adequacy concerns, in particular whether it is a network or a resource constraint, or both.	
	AM 105 **Article 19 – paragraph 4 – point i a (new)** ***(ia) respects real network development.***		
		(j) ensures that national characteristics of generation, demand flexibility and storage, the availability of primary resources and the level of interconnection are properly taken into consideration;	

5. By [OP: six months after entry into force of this Regulation], the ENTSO for Electricity shall submit to the Agency a draft methodology for calculating:		5. By [OP: *six months after entry into force of this Regulation*], the ENTSO for Electricity shall submit to the Agency a draft methodology for calculating:	
(a) the value of lost load;		(a) the value of lost load;	
	AM 106 **Article 19 – paragraph 5 – subparagraph 1 a (new)** ***The methodology shall be based on a transparent, objective and verifiable criteria***.		
(b) the "cost of new entry" for generation, or demand response; and		(b) the "cost of new entry" for generation, or demand response; and	
(c) the reliability standard expressed as "expected energy not served" and the "loss of load expectation".		(c) the reliability standard **[ ] referred to in Article 20**	
6. The proposals under paragraphs 2 and 5 and the results of the European resource adequacy assessment under paragraph 3 shall be subject to prior consultation and approval by the Agency under the procedure set out in Article 22.	**AM 107** 6. The proposals under paragraphs 2 and 5 ***of this Article, the scenarios and assumptions on which they are based,*** and the results of the European resource adequacy assessment under paragraph 1a ***of this Article*** shall be subject to prior consultation and approval by the Agency under the procedure set out in Article 22.	6. The proposals under paragraphs 2 and 5 **for the draft methodology, the scenarios, sensitivities and assumptions on which they are based,** and the results of the European resource adequacy assessment under paragraph 3 shall be subject to prior consultation **with Member States, the Electricity Coordination Group and relevant stakeholders** and approval by the Agency under the procedure set out in Article 22.	

		Article 19a ***National resource adequacy assessments***	
		1. National resource adequacy assessment shall be based on the methodology referred in Article 19(2) in particular provisions provided in paragraph 4 (b) to (j); however, may provide additional scenarios, sensitivities and assumptions taking into account national considerations. The national resource adequacy assessment shall use the same modelling tools as used by the ENTSO for Electricity for the European resource adequacy assessment and the same input data and other data to reflect national scenarios, sensitivities and assumptions. In addition, national resource adequacy assessment, when assessing foreign contribution to the security of supply of the bidding zones they cover, shall apply the values for foreign contribution subject to provisions of Article 21.	

		1a. In addition to the national resource adequacy assessment performed pursuant to paragraph 1, Member States may perform a second assessment using different modelling tools than those used by the ENTSO for Electricity for the European resource adequacy assessment while following the remaining requirements of paragraph 1.	
		2. National resource adequacy assessments and, where applicable, the assessment of ENTSO for Electricity and the opinion of the Agency pursuant to paragraph 3a of article 18 shall be made publicly available.	
Article 20 *Reliability standard*			
1. When applying capacity mechanisms Member States shall have a reliability standard in place indicating their desired level of security of supply in a transparent manner.	**AM 108** 1. When applying capacity mechanisms Member States shall have a reliability standard in place***. A reliability standard shall indicate the necessary*** level of security of supply ***of the Member State*** in a transparent manner. ***In the case of cross-border bidding zones, such reliability standards shall be established jointly by the relevant authorities.***	1. When applying capacity mechanisms Member States shall have a reliability standard in place indicating their desired level of security of supply in a transparent manner.	

2. The reliability standard shall be set by the national regulatory authority based on the methodology pursuant to Article 19(5).		2. The reliability standard shall be set by the **[ ] Member State or a competent authority designated by the Member State** based on the methodology pursuant to Article 19(5)	
3. The reliability standard shall be calculated using the value of lost load and the cost of new entry over a given timeframe.		3. The reliability standard shall be calculated using **at least** the value of lost load and the cost of new entry over a given timeframe **and be expressed as "expected energy not served" and the "loss of load expectation"**.	
4. The parameters determining the amount of capacity procured in the capacity mechanism shall be approved by the national regulatory authority.	**AM 109** ***deleted***	4. **When applying capacity mechanisms** the parameters determining the amount of capacity procured in the capacity mechanism shall be approved by the **[ ] Member State or another competent authority designated by the Member State.**	
Article 21 *Cross-border participation in capacity mechanisms*			
1. Mechanisms other than strategic reserves shall be open to direct participation of capacity providers located in another Member State provided there is a network connection between that Member State and the bidding zone applying the mechanism.		1. Mechanisms other than strategic reserves **and where technically feasible, strategic reserves,** shall be open to direct **cross-border** participation of capacity providers located in another Member State **[ ] pursuant to the provisions of this Article**.	

2. Member States shall ensure that foreign capacity capable of providing equivalent technical performance to domestic capacities has the opportunity to participate in the same competitive process as domestic capacity.		2. Member States shall ensure that foreign capacity capable of providing equivalent technical performance to domestic capacities has the opportunity to participate in the same competitive process as domestic capacity. **In the case of capacity mechanisms in operation as of the [date of entry into force], Member States may allow direct participation in the same competitive process of interconnectors as foreign capacity for a maximum of four years after [entry into force] or two years following the approval of the methodologies referred to in paragraph 10 of this Article, whatever happens earlier. Member States may apply following requirements to the foreign capacity:**	
		(a) the capacity is located in a Member State with a direct network connection between that Member State and the Member State applying the mechanism,	
		(b) the capacity is not participating in another capacity mechanism for which the capacity needs to be available,	

3. Member States shall not restrict capacity which is located in their territory from participating in capacity mechanisms of other Member States.		3. Member States shall not restrict capacity which is located in their territory from participating in capacity mechanisms of other Member States.	
4. Cross-border participation in market-wide capacity mechanisms shall not change, alter or otherwise impact cross-zonal schedules and physical flows between Member States which shall be determined solely by the outcome of capacity allocation pursuant to Article 14.		4. Cross-border participation in **[ ]** capacity mechanisms shall not change, alter or otherwise impact cross-zonal schedules and physical flows between Member States which shall be determined solely by the outcome of capacity allocation pursuant to Article 14.	
5. Capacity providers shall be able to participate in more than one mechanism for the same delivery period. They shall be subject to non-availability payments in case of non-availability, and subject to two or more non-availability payments where there is concurrent scarcity in two or more bidding zones where the capacity provider is contracted.	**AM 110** 5. Capacity providers shall be able to participate in more than one mechanism for the same delivery period. They shall be subject to non-availability payments in case of non-availability, and subject to two or more non-availability payments where there is concurrent scarcity in two or more bidding zones where the capacity provider is contracted. ***Capacity providers shall be able to participate with no more than their available maximum capacity.***	5. Capacity providers shall be **[ ] subject to non-availability payments in case of non-availability. In case capacity providers** participate in more than one mechanism for the same delivery period, **t**hey shall be subject to **[ ] multiple non-availability payments when they are unable to fulfil multiple commitments.**	

6. Regional operational centres established pursuant to Article 32 shall annually calculate the maximum entry capacity available for the participation of foreign capacity taking into account the expected availability of interconnection and the likely concurrence of system stress between the system where the mechanism is applied and the system in which the foreign capacity is located. A calculation is required for each bidding zone border.	**AM 111** 6. Regional ***coordination*** centres established pursuant to Article 32 shall annually calculate the maximum entry capacity available for the participation of foreign capacity taking into account the expected availability of interconnection and the likely concurrence of system stress between the system where the mechanism is applied and the system in which the foreign capacity is located. A calculation is required for each bidding zone border.	6. **Where capacity mechanisms are applied, Transmission System Operators [ ]** shall annually calculate the maximum entry capacity available for the participation of foreign capacity **[ ] based on the methodology referred in point (a) of paragraph 10 and taking into account the recommended values calculated by the Regional Security Coordinators pursuant to Article 34(q), 38 and 39, the level of physical interconnection between Member States,** expected availability of interconnection and the likely concurrence of system stress between the system where the mechanism is applied and the system in which the foreign capacity is located. A calculation is required for each bidding zone border.	
7. Member States shall ensure that the entry capacity referred to in paragraph 6 is allocated to eligible capacity providers in a transparent, non-discriminatory and market-based manner.		7. Member States shall ensure that the entry capacity referred to in paragraph 6 is allocated to eligible capacity providers in a transparent, non-discriminatory and market-based manner.	

8. Any difference in the cost of foreign capacity and domestic capacity arising through the allocation referred to in paragraph 7 shall accrue to transmission system operators and be shared between them according to the methodology referred in point (b) of paragraph 10. Transmission system operators shall use such revenues for the purposes set out in Article 17(2).		8. **[ ] If there are capacity mechanisms open for cross-border participation in two neighbouring Member States, any revenues** arising through the allocation referred to in paragraph 7 shall accrue to transmission system operators and be shared between them according to the methodology referred in point (b) of paragraph 10 **or a common methodology approved by both relevant regulatory authorities. If the neighbouring Member State is not applying a capacity mechanism, the share of revenues shall be approved by the competent national authority of the Member State where the capacity mechanism is implemented after seeking the opinion of the regulatory authorities of the neighbouring Member States.** Transmission system operators shall use such revenues for the purposes set out in Article 17(2).	
9. The transmission system operator where the foreign capacity is located shall:		9. The transmission system operator where the foreign capacity is located shall:	
(a) establish whether interested capacity providers can provide the technical performance as required by the capacity mechanism in which the capacity provider intends to participate and register the capacity provider in the registry as eligible capacity providers.		(a) establish whether interested capacity providers can provide the technical performance as required by the capacity mechanism in which the capacity provider intends to participate and register the capacity provider in the registry as eligible capacity providers.	

(b) carry out availability checks as appropriate.		(b) carry out availability checks **[ ]**	
		(c) be notified by the respective capacity provider without delay about its participation in foreign capacity mechanism	
		(d) notify to the transmission system operator in the Member State applying the capacity mechanism the information received under paragraph 9a to 9c.	
10. By [OP: twelve months after entry into force of this Regulation] the ENTSO for Electricity shall submit to the Agency:		10. By [OP: *twelve months after entry into force of this Regulation*] the ENTSO for Electricity shall submit to the Agency:	
(a) a methodology for calculating the maximum entry capacity for cross-border participation as referred to in paragraph 6;		(a) a methodology for calculating **by the Regional Security Coordinator and transmission system operators** the maximum entry capacity for cross-border participation as referred to in paragraph 6;	
(b) a methodology for sharing the revenues referred to in paragraph 8;		(b) a methodology for sharing the revenues referred to in paragraph 8;	
(c) common rules to carry out availability checks referred to in point (b) of paragraph 9;		(c) common rules to carry out availability checks referred to in point (b) of paragraph 9;	
(d) common rules to determine when a non-availability payment is due;		(d) common **[ ] principles** to determine when a non-availability payment is due;	
(e) terms of the operation of the registry as referred to in point (a) of paragraph 9;		(e) terms of the operation of the registry as referred to in point (a) of paragraph 9;	

(f) common rules to identify capacity eligible to participate as referred to in point (a) of paragraph 9.		(f) common rules to identify capacity eligible to participate as referred to in point (a) of paragraph 9.	
The proposal shall be subject to prior consultation and approval by the Agency under the procedure set out in Article 22.		The proposal shall be subject to prior consultation and approval by the Agency under the procedure set out in Article 22.	
11. The Agency shall verify whether the capacities have been calculated in line with the methodology as referred to in point (a) of paragraph 10.		11. The **[ ] national regulatory authorities concerned** shall verify whether the capacities have been calculated in line with the methodology as referred to in point (a) of paragraph 10.	
12. National regulatory authorities shall ensure that cross-border participation in capacity mechanisms is organised in an effective and non-discriminatory manner. They shall in particular provide for adequate administrative arrangements for the enforcement of non-availability payments across borders.		12. **[ ]** Regulatory authorities shall ensure that cross-border participation in capacity mechanisms is organised in an effective and non-discriminatory manner. They shall in particular provide for adequate administrative arrangements for the enforcement of non-availability payments across borders.	
13. Allocated capacities as referred to in paragraph 7 shall be transferable between eligible capacity providers. Eligible capacity providers shall notify any transfer to the registry as referred to in point (a) of paragraph 9.		13. Allocated capacities as referred to in paragraph 7 shall be transferable between eligible capacity providers. Eligible capacity providers shall notify any transfer to the registry as referred to in point (a) of paragraph 9.	

14. No later than [OP: two years after the entry into force of this Regulation] the ENTSO for Electricity shall set up and operate the registry as referred to in point (a) of paragraph 9. The registry shall be open to all eligible capacity providers, the systems applying the mechanisms and their transmission system operators.		14. No later than [OP: *two years after the entry into force of this Regulation*] the ENTSO for Electricity shall set up and operate the registry as referred to in point (a) of paragraph 9. The registry shall be open to all eligible capacity providers, the systems applying the mechanisms and their transmission system operators.	
Article 22 *Approval procedure*			
1. Where reference is made to this Article, the procedure set out in paragraphs 2 to 4 shall be applicable to the approval of a proposal submitted by the ENTSO for Electricity.		1. Where reference is made to this Article, the procedure set out in paragraphs 2 to 4 shall be applicable to the approval of a proposal submitted by the ENTSO for Electricity.	
2. Prior to submitting the proposal, the ENTSO for Electricity shall conduct a consultation process involving all relevant stakeholders, national regulatory authorities and other national authorities.		2. Prior to submitting the proposal, the ENTSO for Electricity shall conduct a consultation process involving all relevant stakeholders, **[ ]** regulatory authorities and other national authorities **and shall take the results of a consultation process duly into consideration.**	
3. Within three months from the date of receipt, the Agency shall either approve the proposal or amend it. In the latter case, the Agency shall consult the ENTSO for Electricity before adopting the amended proposal. The adopted proposal shall be published on the Agency's website at the latest three months after the date of receipt of the proposed documents.		3. Within three months from the date of receipt, the Agency shall either approve the proposal or amend it. In the latter case, the Agency shall consult the ENTSO for Electricity before adopting the amended proposal. The adopted proposal shall be published on the Agency's website at the latest three months after the date of receipt of the proposed documents.	

4. The Agency may request changes to the approved proposal at any time. Within six months from the request, the ENTSO for Electricity shall submit to the Agency a draft of the proposed changes. Within a period of three months from the date of receipt of the draft, the Agency shall amend or approve the changes and publish it on its website.		4. The Agency may request changes to the approved proposal at any time. Within six months from the request, the ENTSO for Electricity shall submit to the Agency a draft of the proposed changes. Within a period of three months from the date of receipt of the draft, the Agency shall amend or approve the changes and publish it on its website.	
Article 23 *Design principles for capacity mechanisms*			
1. To address residual concerns that cannot be eliminated by the measures pursuant to Article 18(3), Member States may introduce capacity mechanisms, subject to the provisions of this Article and to the Union State aid rules.	**AM 112** 1. ***Any capacity mechanism shall:***	1. To address residual concerns that cannot be eliminated by the measures pursuant to Article 18(3), Member States may introduce capacity mechanisms, subject to the provisions of this Article and **[ ] without prejudice to** the Union State aid rules **pursuant to Articles 107 to 109 TFEU.**	
	(a) not create undue market distortions and not limit cross-border trade;		
	(b) not go beyond what is necessary to address ***the adequacy concern;***		
	(c) select capacity providers by means of a transparent, non-discriminatory and market-based process;		
	(d) be technology neutral;		
	(e) provide incentives for capacity ***providers to be available in times of expected system stress;***		

	(f) ensure that the remuneration is determined through a market-based process;		
	(g) set out the required technical conditions for the participation of capacity providers in advance of the selection process;		
	(h) be open to participation of all resources, including storage and demand side management that are capable of providing the required technical performance;		
	(i) apply appropriate penalties to capacity providers when not available in the event of system stress;		
	(j) ensure that capacity contracts for existing installations are rewarded for a maximum length of 1 year.		
2. Where a Member State wishes to implement a capacity mechanism, it shall consult on the proposed mechanism at least with its electrically connected neighbouring Member States.	**AM 113** 2. Capacity ***mechanisms in the form of strategic reserves shall:***	2. Where a Member State wishes to implement a capacity mechanism, it shall consult on the proposed mechanism at least with its **directly** electrically connected neighbouring Member States **based on a comprehensive study on the possible effects on those Member States.**	
	(a) be held outside the market;		
	(b) be dispatched only where day-ahead and intraday markets have failed to clear and transmission system operators have exhausted their balancing resources to establish an equilibrium between demand and supply;		

	(c) ensure that during periods where strategic reserves were dispatched, imbalances are settled at the technical price limit applied by the market operators pursuant to Article 9 or at the value of lost load, whichever the higher.		
	(d) be limited to maximum emissions of 200kg/CO2/kW for the electricity production per year The electricity generated, or the load reduction achieved by resources in the strategic reserve shall ***not be sold through wholesale electricity markets.***		
		2a. When a capacity mechanism is designed as a strategic reserve, resources in the strategic reserve shall only be dispatched in case transmission system operators are likely to exhaust their balancing resources to establish an equilibrium between demand and supply. This requirement is without prejudice to activating resources ahead of actual dispatch in order to respect their ramping constraints and operating requirements. During periods where resources in the strategic reserve were dispatched imbalances in the market shall be settled at least at the bidding limit pursuant to Article 9. The resources taking part in the strategic reserve shall not get remunerated through wholesale electricity markets or balancing markets.	

3. Capacity mechanisms shall not create unnecessary market distortions and not limit cross-border trade. The amount of capacity committed in the mechanism shall not go beyond what is necessary to address the concern.	**AM 114** 3. ***In addition to the requirements laid down in paragraph 1, capacity*** mechanisms ***other than strategic reserves*** shall***:***	3. Capacity mechanisms shall**:**	
	(a) be constructed so as to ensure that the price paid for availability automatically tends to zero when the level of capacity ***supplied is expected to be adequate to meet the level of capacity demanded;***		
	(b) remunerate the participating resources merely for their availability and ensure that the remuneration does not affect decisions of the capacity provider whether or not to generate;		
	(c) ensure that capacity obligations are transferable between eligible capacity providers.		
		(a) not create unnecessary market distortions and not limit cross **[ ] zonal** trade**;**	
		(b) be market-based;	
		(c) be open to participation of all resources that are capable of providing the required technical performance in a technology neutral manner and through fair and transparent rules, including but not limited to participation of storage, energy efficiency and demand response;	

		(d) be temporary, but are permitted, in accordance with state aid rules, as long as the relevant resource adequacy assessment identifies a resource adequacy concern;	
		(e) [ ] not go beyond what is necessary to address the **resource adequacy** concern.	
4. Generation capacity for which a final investment decision has been made after [OP: entry into force] shall only be eligible to participate in a capacity mechanism if its emissions are below 550 gr CO2/kWh. Generation capacity emitting 550 gr CO2/kWh or more shall not be committed in capacity mechanisms 5 years after the entry into force of this Regulation.	**AM 115** ***deleted***	**4. In the design of a capacity mechanism, Member States shall apply the following requirements regarding CO2 emission limits:**	
		(a) Generation capacity emitting more than 550 gr CO2/kWh of energy or more than 700 kg CO2 on average per year per installed kW for which a final investment decision has been made after [*OP: date of entry into force*] shall not receive payments or commitments for future payments under a capacity mechanism as of 31 December 2025.	

		(b) Generation capacity emitting more than 550 gr CO2/kWh of energy or more than 700 kg CO2 on average per year per installed kW for which a final investment decision has been made before [*OP: date of entry into force*] shall not receive payments or commitments for future payments under a capacity mechanism as of 31 December 2030, except for contracts with a remaining duration of not more than 5 years concluded before 31 December 2030. Between 31 December 2025 and 31 December 2030, the capacity receiving remuneration for this participation should be reduced by 5% per year.	
		(c) The emission limit of 550 gr CO2/kWh of energy and the limit of 700 kg CO2 on average per year per installed kW shall be calculated based on the design efficiency of the generation unit as provided by an accredited certification organisation.	
5. Where the European resource adequacy assessment has not identified a resource adequacy concern, Member States shall not apply capacity mechanisms.	**AM 116** ***deleted***	**[ ]**	

		5a. When designing capacity mechanisms, Member States shall include a provision allowing for efficient phase-out of a capacity mechanism within 4 years in case the resource adequacy concern is no longer present. This phase-out can be an administrative cessation of the mechanism, with a reasonable advance notice, or provisions in the design of the mechanism which would lead to the suspension of associated economic incentives when there is no adequacy concern.	
Article 24 *Existing mechanisms*			
Member States applying capacity mechanisms on [OP: entry into force of this Regulation] shall adapt their mechanisms to comply with Articles 18, 21 and 23 of this Regulation.	**AM 117** Member States applying capacity mechanisms on [OP: entry into force of this Regulation] shall adapt their mechanisms to comply with Articles 18, ***18a,*** 21 and 23 of this Regulation.	**1.** Member States applying capacity mechanisms on [OP: *entry into force of this Regulation*] shall adapt their mechanisms to comply with Articles 18, 21 and 23 of this Regulation **without prejudice to commitments or contracts, concluded before that date, and without prejudice to the Union State aid rules pursuant to Articles 107 to 109 TFEU, including state aid decisions taken thereafter before that date.**	

Chapter V **Transmission system operation**			
Article 25 *European network of transmission system operators for electricity*			
1. Transmission system operators shall cooperate at Union level through the ENTSO for Electricity, in order to promote the completion and functioning of the internal market in electricity and cross-border trade and to ensure the optimal management, coordinated operation and sound technical evolution of the European electricity transmission network.		1. Transmission system operators shall cooperate at Union level through the ENTSO for Electricity, in order to promote the completion and functioning of the internal market in electricity and cross **[ ] zonal** trade and to ensure the optimal management, coordinated operation and sound technical evolution of the European electricity transmission network.	
2. In performing its functions under EU law, the ENTSO for Electricity shall act for the European good and independent from individual national interests or the national interests of transmission system operators, and shall contribute to the efficient and sustainable achievement of the objectives set out in the policy framework for climate and energy covering the period from 2020 to 2030, in particular by contributing to the efficient integration of electricity generated from renewable energy sources and to increases in energy efficiency.		2. In performing its functions under EU law, the ENTSO for Electricity shall **[ ]** contribute to the efficient and sustainable achievement of the objectives set out in the policy framework for climate and energy covering the period from 2020 to 2030, in particular by contributing to the efficient integration of electricity generated from renewable energy sources and to increases in energy efficiency **while maintaining system security.**	

Article 26 *Establishment of the ENTSO for Electricity*			
1. The transmission system operators for electricity shall submit to the Commission and to the Agency the draft statutes, a list of members and draft rules of procedure, including the rules of procedures on the consultation of other stakeholders, of the ENTSO for Electricity to be established.		1. The transmission system operators for electricity shall submit to the Commission and to the Agency the draft statutes, a list of members and draft rules of procedure, including the rules of procedures on the consultation of other stakeholders, of the ENTSO for Electricity to be established.	
2. Within two months of the day of the receipt, the Agency, after formally consulting the organisations representing all stakeholders, in particular the system users, including customers, shall provide an opinion to the Commission on the draft statutes, list of members and draft rules of procedure.		2. Within two months of the day of the receipt, the Agency, after formally consulting the organisations representing all stakeholders, in particular the system users, including customers, shall provide an opinion to the Commission on the draft statutes, list of members and draft rules of procedure.	
3. The Commission shall deliver an opinion on the draft statutes, list of members and draft rules of procedures taking into account the opinion of the Agency provided for in paragraph 2 and within three months of the day of the receipt of the opinion of the Agency.		3. The Commission shall deliver an opinion on the draft statutes, list of members and draft rules of procedures taking into account the opinion of the Agency provided for in paragraph 2 and within three months of the day of the receipt of the opinion of the Agency.	
4. Within three months of the day of receipt of the Commission's favourable opinion, the transmission system operators shall establish the ENTSO for Electricity and adopt and publish its statutes and rules of procedure.		4. Within three months of the day of receipt of the Commission's favourable opinion, the transmission system operators shall establish the ENTSO for Electricity and adopt and publish its statutes and rules of procedure.	

5. The documents referred to in paragraph 1 shall be submitted to the Commission and to the Agency in case of changes thereof or upon reasoned request of the Commission or of the Agency. The Agency and the Commission shall deliver an opinion in accordance with paragraphs 2 to 4.		5. The documents referred to in paragraph 1 shall be submitted to the Commission and to the Agency in case of changes thereof or upon reasoned request of the Commission or of the Agency. The Agency and the Commission shall deliver an opinion in accordance with paragraphs 2 to 4.	
Article 27 *Tasks of the ENTSO for Electricity*			
1. The ENTSO for Electricity shall :		1. The ENTSO for Electricity shall:	
(a) elaborate network codes in the areas set out in Article 55(1) with a view to achieving the objectives set out in Article 25 .		(a) elaborate network codes in the areas set out in Article 55(1) with a view to achieving the objectives set out in Article 25	
(b) adopt and publish a non-binding Union-wide ten-year network development plan, (Union-wide network development plan), every two years;		(b) adopt and publish a non-binding Union-wide ten-year network development plan, (Union-wide network development plan), every two years;	
(c) prepare and adopt proposals related to the European resource adequacy assessment pursuant to Article 19(2), (3) and (5) and for the technical specifications for cross-border participation in capacity mechanisms pursuant to Article 21(10);	**AM 118** (c) prepare and adopt proposals related to the European resource adequacy assessment pursuant to Article ***19(1a)*** and for the technical specifications for cross-border participation in capacity mechanisms pursuant to Article 21(10);	(c) prepare and adopt proposals related to the European resource adequacy assessment pursuant to Article 19(2), (3) and (5) and for the technical specifications for cross-border participation in capacity mechanisms pursuant to Article 21(10);	

(d) adopt recommendations relating to the coordination of technical cooperation between Union and third-country transmission system operators;		(d) adopt recommendations relating to the coordination of technical cooperation between Union and third-country transmission system operators;	
(e) adopt a framework for the cooperation and coordination between regional operational centres;		(e) adopt a framework for the cooperation and coordination between **[ ] regional security coordinators;**	
(f) adopt a proposal defining the system operation region covered by each regional operational centre;		(f) adopt a proposal defining the system operation region **[ ] in accordance with the provisions of Article 33**;	
		(fa) cooperate with distribution system operators and the EU DSO entity.	
		(fb) promote the digitalisation of transmission networks including deployment of smart grids and intelligent metering systems;	
(g) adopt common network operation tools to ensure coordination of network operation in normal and emergency conditions, including a common incident classification scale, and research plans, including the deployment of these plans through an efficient research programme. These tools shall specify inter alia:		(g) adopt common network operation tools to ensure coordination of network operation in normal and emergency conditions, including a common incident classification scale, and research plans, including the deployment of these plans through an efficient research programme. These tools shall specify inter alia:	
(i) the information, including appropriate day ahead, intra-day and real-time information, useful for improving operational coordination, as well as the optimal frequency for the collection and sharing of such information;		(i) the information, including appropriate day ahead, intra-day and real-time information, useful for improving operational coordination, as well as the optimal frequency for the collection and sharing of such information;	

(ii) the technological platform for the exchange of information in real time and where appropriate, the technological platforms for the collection, processing and transmission of the other information referred to in point (i), as well as for the implementation of the procedures capable of increasing operational coordination between transmission system operators with a view to such coordination becoming Union-wide;		(ii) the technological platform for the exchange of information in real time and where appropriate, the technological platforms for the collection, processing and transmission of the other information referred to in point (i), as well as for the implementation of the procedures capable of increasing operational coordination between transmission system operators with a view to such coordination becoming Union-wide;	
(iii) how transmission system operators make available the operational information to other transmission system operators or any entity duly mandated to support them to achieve operational coordination, and to the Agency; and		(iii) how transmission system operators make available the operational information to other transmission system operators or any entity duly mandated to support them to achieve operational coordination, and to the Agency; and	
(iv) that transmission system operators designate a contact point in charge of answering inquiries from other transmission system operators or from any entity duly mandated as referred to in point (iii), or from the Agency concerning such information.		(iv) that transmission system operators designate a contact point in charge of answering inquiries from other transmission system operators or from any entity duly mandated as referred to in point (iii), or from the Agency concerning such information.	
(h) adopt an annual work programme;		(h) adopt an annual work programme;	

	AM 119 **Article 27 – paragraph 1 – point h a (new)** ***(h a) standardise, in cooperation with the EU DSO entity, relevant data formats and protocols to facilitate cross-border exchange of data;***		
(i) adopt an annual report;		(i) adopt an annual report;	
(j) carry out and adopt seasonal adequacy outlooks pursuant to Article 9(2) [Regulation on risk preparedness as proposed by COM(2016) 862].		(j) carry out and adopt seasonal adequacy outlooks pursuant to Article 9(2) [Regulation on risk preparedness as proposed by COM(2016) 862] .	
	AM 120 **Article 27 – paragraph 1 – point j a (new)** ***(j a) promote digitalisation of transmission systems to ensure, inter alia, efficient real time data acquisition and use and smart substations;***		
	AM 121 **Article 27 – paragraph 1 – point j b (new)** ***(j b) promote data management, cyber security and data protection in cooperation with relevant authorities and regulated entities;***		
	AM 122 **Article 27 – paragraph 1 – point j c (new)** ***(j c) develop demand response in cooperation with DSOs.***		

2. The ENTSO for Electricity shall report to the Agency on shortcomings identified regarding the establishment and performance of regional operational centres.	**AM 123** 2. The ENTSO for Electricity shall report to the Agency on shortcomings identified regarding the establishment and performance of regional ***coordination*** centres.	2. The ENTSO for Electricity shall report to the Agency on shortcomings identified regarding the establishment and performance of **[ ] Regional Security Coordinators.**	
3. The ENTSO for Electricity shall publish the minutes of its Assembly, Board and Committees meetings and provide the public with regular information on its decision-making and activities.		3. The ENTSO for Electricity shall publish the minutes of its Assembly, Board and Committees meetings and provide the public with regular information on its decision-making and activities.	
4. The annual work programme referred to in (h) of paragraph 1 shall contain a list and description of the network codes to be prepared, a plan on coordination of operation of the network, and research and development activities, to be realised in that year, and an indicative calendar.		4. The annual work programme referred to in (h) of paragraph 1 shall contain a list and description of the network codes to be prepared, a plan on coordination of operation of the network, and research and development activities, to be realised in that year, and an indicative calendar.	
5. The ENTSO for Electricity shall make available all information required by the Agency to fulfil its tasks under Article 29(1). Transmission system operators shall make available all information required for the ENTSO for Electricity to fulfil its task under sentence 1.		5. The ENTSO for Electricity shall make available all information required by the Agency to fulfil its tasks under Article 29(1). Transmission system operators shall make available all information required for the ENTSO for Electricity to fulfil its task under sentence 1.	
6. Upon request of the Commission, the ENTSO for Electricity shall give its views to the Commission on the adoption of the guidelines as laid down in Article 57.		6. Upon request of the Commission, the ENTSO for Electricity shall give its views to the Commission on the adoption of the guidelines as laid down in Article 57.	

Article 28 *Consultations*			
1. While preparing the proposals pursuant to the tasks referred to in Article 27(1) , the ENTSO for Electricity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders , and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 26 . That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.	**AM 124** 1. While preparing the proposals pursuant to the tasks referred to in Article 27(1), the ENTSO for Electricity shall conduct an extensive consultation process, at an early stage and ***structured in a way to enable accommodating stakeholder comments before final adoption and*** in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 26 . That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers ***and their representatives***, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.	1. While preparing the proposals pursuant to the tasks referred to in Article 27(1), the ENTSO for Electricity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 26. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.	
2. All documents and minutes of meetings related to the consultations referred to in paragraph 1 shall be made public.		2. All documents and minutes of meetings related to the consultations referred to in paragraph 1 shall be made public.	

3. Before adopting the proposals pursuant to Article 27(1) the ENTSO for Electricity shall indicate how the observations received during the consultation have been taken into consideration. It shall provide reasons where observations have not been taken into account.		3. Before adopting the proposals pursuant to Article 27(1) the ENTSO for Electricity shall indicate how the observations received during the consultation have been taken into consideration. It shall provide reasons where observations have not been taken into account.	
Article 29 *Monitoring by the Agency*			
1. The Agency shall monitor the execution of the tasks referred to in Article 27(1), (2) and (3) of the ENTSO for Electricity and report to the Commission.		1. The Agency shall monitor the execution of the tasks referred to in Article 27(1), (2) and (3) of the ENTSO for Electricity and report to the Commission.	
The Agency shall monitor the implementation by the ENTSO for Electricity of network codes elaborated under Article 55(14) . Where the ENTSO for Electricity has failed to implement such network codes, the Agency shall request the ENTSO for Electricity to provide a duly reasoned explanation as to why it has failed to do so. The Agency shall inform the Commission of that explanation and provide its opinion thereon.		The Agency shall monitor the implementation by the ENTSO for Electricity of network codes elaborated under Article 55(14). Where the ENTSO for Electricity has failed to implement such network codes, the Agency shall request the ENTSO for Electricity to provide a duly reasoned explanation as to why it has failed to do so. The Agency shall inform the Commission of that explanation and provide its opinion thereon.	

The Agency shall monitor and analyse the implementation of the network codes and the guidelines adopted by the Commission as laid down in Article 54(1) , and their effect on the harmonisation of applicable rules aimed at facilitating market integration as well as on non-discrimination, effective competition and the efficient functioning of the market, and report to the Commission.		The Agency shall monitor and analyse the implementation of the network codes and the guidelines adopted by the Commission as laid down in Article 54(1), and their effect on the harmonisation of applicable rules aimed at facilitating market integration as well as on non-discrimination, effective competition and the efficient functioning of the market, and report to the Commission.	
2. The ENTSO for Electricity shall submit the draft Union-wide network development plan, the draft annual work programme, including the information regarding the consultation process, and the other documents referred to in Article 27(1) to the Agency for its opinion.		2. The ENTSO for Electricity shall submit the draft Union-wide network development plan, the draft annual work programme, including the information regarding the consultation process, and the other documents referred to in Article 27(1) to the Agency for its opinion.	
Within two months from the day of receipt, the Agency shall provide a duly reasoned opinion as well as recommendations to the ENTSO for Electricity and to the Commission where it considers that the draft annual work programme or the draft Union-wide network development plan submitted by the ENTSO for Electricity do not contribute to non-discrimination, effective competition, the efficient functioning of the market or a sufficient level of cross-border interconnection open to third-party access.		Within two months from the day of receipt, the Agency shall provide a duly reasoned opinion as well as recommendations to the ENTSO for Electricity and to the Commission where it considers that the draft annual work programme or the draft Union-wide network development plan submitted by the ENTSO for Electricity do not contribute to non-discrimination, effective competition, the efficient functioning of the market or a sufficient level of cross-border interconnection open to third-party access.	

Article 30 *Costs*			
The costs related to the activities of the ENTSO for Electricity referred to in Articles 25 to 29 and 54 to 57 of this Regulation, and in Article 11 of Regulation (EU) No 347/2013 shall be borne by the transmission system operators and shall be taken into account in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and appropriate.		The costs related to the activities of the ENTSO for Electricity referred to in Articles 25 to 29 and 54 to 57 of this Regulation, and in Article 11 of Regulation (EU) No 347/2013 shall be borne by the transmission system operators and shall be taken into account in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and appropriate.	
Article 31 *Regional cooperation of transmission system operators*			
1. Transmission system operators shall establish regional cooperation within the ENTSO for Electricity to contribute to the activities referred to in Article 27(1), (2) and (3). In particular, they shall publish a regional investment plan every two years, and may take investment decisions based on that regional investment plan. The ENTSO for Electricity shall promote cooperation between transmission system operators at regional level ensuring interoperability, communication and monitoring of regional performance in those areas which are not yet harmonised at Union level.		1. Transmission system operators shall establish regional cooperation within the ENTSO for Electricity to contribute to the activities referred to in Article 27(1), (2) and (3). In particular, they shall publish a regional investment plan every two years, and may take investment decisions based on that regional investment plan. The ENTSO for Electricity shall promote cooperation between transmission system operators at regional level ensuring interoperability, communication and monitoring of regional performance in those areas which are not yet harmonised at Union level.	

2. Transmission system operators shall promote operational arrangements in order to ensure the optimum management of the network and shall promote the development of energy exchanges, the coordinated allocation of cross-border capacity through non-discriminatory market-based solutions, paying due attention to the specific merits of implicit auctions for short-term allocations, and the integration of balancing and reserve power mechanisms.		2. Transmission system operators shall promote operational arrangements in order to ensure the optimum management of the network and shall promote the development of energy exchanges, the coordinated allocation of cross-border capacity through non-discriminatory market-based solutions, paying due attention to the specific merits of implicit auctions for short-term allocations, and the integration of balancing and reserve power mechanisms.	
3. For the purposes of achieving the goals set in paragraphs 1 and 2 of this Article, the geographical area covered by each regional cooperation structure may be defined by the Commission, taking into account existing regional cooperation structures. Each Member State shall be allowed to promote cooperation in more than one geographical area. The Commission is empowered to adopt delegated acts in accordance with Article 63 concerning the geographical area covered by each regional cooperation structure. For that purpose, the Commission shall consult the Agency and the ENTSO for Electricity.	**AM 125** 3. For the purposes of achieving the goals set in paragraphs 1 and 2 of this Article, the geographical area covered by each regional cooperation structure may be defined by the Commission, taking into account existing regional cooperation structures. Each Member State shall be allowed to promote cooperation in more than one geographical area. The Commission is empowered to adopt delegated acts in accordance with Article 63 concerning the geographical area covered by each regional cooperation structure. For that purpose, the Commission shall consult the ***regulatory authorities, the*** Agency and the ENTSO for Electricity.	3. For the purposes of achieving the goals set in paragraphs 1 and 2 of this Article, the geographical area covered by each regional cooperation structure may be defined by the Commission, taking into account existing regional cooperation structures. Each Member State shall be allowed to promote cooperation in more than one geographical area. The Commission is empowered to adopt **[ ] implementing** acts in accordance with Article **[ ] 62(2)** concerning the geographical area covered by each regional cooperation structure. **The decisions and empowerment referred to in this paragraph are without prejudice to Article 33 and shall be subject to consultations.** For that purpose, the Commission shall consult the Agency and the ENTSO for Electricity.	

Article 32 *Establishment and mission of regional operational centres*		*Article 32* *Establishment and mission of* ***[ ]*** ***Regional Security Coordinators***	
1. By [OP: twelve months after entry into force], all transmission system operators shall establish regional operational centres in accordance with the criteria set out in this chapter. Regional operational centres shall be established in the territory of one of the Member States of the region where it will operate.	**AM 126** 1. By [OP: twelve months after entry into force], ***regional coordination centres shall in addition to other tasks that are laid out in Article 34 of this Regulation, replace and cover the functions of regional security coordinators established in accordance with the Regulation...[the Commission Regulation establishing a guideline on Electricity Transmission System Operation] pursuant to the criteria set out in this chapter.***	1. By [OP: *twelve months after entry into force*], all transmission system operators of a **[ ] system operation region shall submit a proposal for the enhancement of Regional Security Coordinators established pursuant to the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009 for approval by the respective regulatory authorities**.	
	If a region is not covered by an existing or a planned regional security coordinator, the transmission system operators of that region shall establish a regional coordination centre.		
	All transmission system operators shall ***adhere to a single*** regional ***coordination centre.***		
	All transmission system operators of a system operation region shall submit to the regulatory authorities of the system operation region for a review a proposal for the establishment of regional coordination centres in accordance with the criteria set out in this chapter.		

	The regulatory authorities of the ***system operation*** region ***shall review and approve the proposal in compliance with the procedures established pursuant to Article 8 of Regulation (EU) ... [recast of Regulation (EC) No 713/2009 as proposed by COM(2016) 863]***		
	The proposals referred to the forth subparagraph shall include the following information:	**The proposal shall contain the following elements:**	
	(a) Member State where ***the regional coordination centre are to be located;***	**a) the participating Member States and TSOs;**	
	(b) the organisational, financial and operational arrangements necessary to ensure the efficient, secure and reliable operation of the interconnected transmission system;	**b) the organisational, financial and operational arrangements necessary to ensure the efficient, secure and reliable operation of the interconnected transmission system;**	
	(c) an implementation plan for the entry into operation of the regional coordination centres;	**c) an implementation plan for the entry into operation of the Regional Security Coordinators;**	
	(d) the statutes and rules of procedure of regional coordination centres;	**d) the statutes and rules of procedure of Regional Security Coordinators;**	
	(e) a description of cooperative processes in accordance with Article 35;	**e) a description of cooperative processes in accordance with Article 35;**	
	(f) a description of the arrangements concerning the liability of regional coordination centres in accordance with Article 44.	**f) a description of the arrangements concerning the liability of Regional Security Coordinators in accordance with Article 44.**	

2. Regional operational centres shall be organised in a legal form as referred to in Article 1 of Directive 2009/101/EC of the European Parliament and of the Council.[20]		2. **[ ] Regional Security Coordinators** shall be **established in the system operation region where it will carry out its tasks and shall be** organised in a legal form as referred to in **[ ] Annex II** of Directive **[ ] (EU) 2017/1132** of the European Parliament and of the Council[21].	
	AM 127 **Article 32 – paragraph 1 a (new)** ***1 a. Regional coordination centres shall enter into operation by [OP: twelve months after entry into force of this Regulation].***		
	AM 128 **Article 32 – paragraph 2 a (new)** ***2 a. In performing its functions under Union law, the regional coordination centres shall act independently from individual national interests and from the interests of transmission system operators.***		

[20] Directive 2009/101/EC of the European Parliament and of the Council of 16 September 2009 on coordination of safeguards which, for the protection of the interests of members and third parties, are required by Member States of companies within the meaning of the second paragraph of Article 48 of the Treaty, with a view to making such safeguards equivalent (OJ L 258, 1.10.2009, p. 11).

[21] **Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law** (OJ L **169, 30.6.2017, p. 46**).

3. Regional operational centres shall complement the role of transmission system operators by performing functions of regional relevance. They shall establish operational arrangements in order to ensure the efficient, secure and reliable operation of the interconnected transmission system.	**AM 129** 3. Regional ***coordination*** centres shall complement the role of transmission system operators by performing functions of regional relevance. ***The*** transmission system ***operators shall be responsible for managing electricity flows and ensuring a secure, reliable and efficient electricity system in accordance with Article 40 of the Directive (EU) [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2]***.	3. **[ ] Transmission system operators shall be responsible for managing electricity flows and ensure a secure, reliable and efficient electricity system in accordance with Article 40 of the [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2] and with national legislation. Regional Security Coordinators** shall complement the role of transmission system operators by performing **[ ] tasks** of regional relevance **[ ] assigned to them in accordance with Article 34**.	
		4a. Regional Security Coordinators shall take up their new tasks set out in Article 34(1) by 1 January 2025. All Member States of the same system operation region, can jointly decide on earlier operation of the respective Regional Security Coordinator [+].	

Article 33 *Geographical scope of regional operational centres*	**AM 130** **Article 33 – title** Geographical scope of regional ***coordination*** centres	*Article 33* *Geographical scope of* ***[ ] Regional Security Coordinators***	
		0a. For the purpose of this Regulation, the geographical areas covered by each of the transmission system operators sharing the same regional security coordinators established pursuant to the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009 shall be referred to as system operation regions.	
		0b. Regional security coordinators may encompass larger or smaller geographical areas than those existing pursuant to the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009. In such instance, the respective transmission system operators shall submit a proposal to the Agency defining the system operation regions covered by the Regional security coordinator.	

1. By [OP: six months after entry into force of this Regulation] the ENTSO for Electricity shall submit to the Agency a proposal defining system operation regions covered by regional operational centres, taking into account existing regional security coordinators, on the basis of the following criteria:	**AM 131** 1. By [OP: six months after entry into force of this Regulation] the ENTSO for Electricity shall submit to the Agency a proposal defining system operation regions covered by regional ***coordination*** centres, taking into account existing regional security coordinators, on the basis of the following criteria:	1. By [OP: six months after entry into force of this Regulation] the ENTSO for Electricity shall submit to the Agency a proposal **[ ] specifying which transmission system operators, bidding zones, bidding zone borders, capacity calculation regions and outage coordination regions are covered by each of the system operation regions.**	
		1a. Where a Member State is part of multiple different synchronous areas, the transmission system operator may be coordinated by two regional security coordinators. For the bidding zone borders adjacent to system operation regions, the proposal in paragraph 1 shall specify how the coordination between regional security coordinators for these borders is to take place.	
		1b. Each of the Regional Security Coordinators shall perform the tasks listed in Article 34(1) for the transmission system operators of the system operation region where it is established.	
(a) The grid topology, including the degree of interconnection and of interdependency of the power systems in terms of flows;		**[ ]**	

(b) the synchronous connection of the systems;		**[ ]**	
(c) the size of the region, which shall cover at least one capacity calculation region;		**[ ]**	
(d) the geographical optimization of balancing reserves.		**[ ]**	
2. Within three months of receipt, the Agency shall either approve the proposal defining the system operation regions or propose amendments. In the latter case, the Agency shall consult the ENTSO for Electricity before adopting the amendments. The adopted proposal shall be published on the Agency's website.		2. Within three months of receipt **of the proposal in paragraph 1**, the Agency shall either approve the proposal defining the system operation regions or propose amendments. In the latter case, the Agency shall consult the ENTSO for Electricity before adopting the amendments. The adopted proposal shall be published on the Agency's website.	
Article 34 *Tasks of regional operational centres*	**AM 132** **Article 34 – title** Tasks of regional ***coordination*** centres	*Article 34* *Tasks of **[ ] Regional Security Coordinators***	
1. Each regional operational centre shall perform all the following functions in the system operation region where it is established and regional operational centres shall perform at least the following functions, set out in more detail in Annex I:	**AM 133** 1. Each regional ***coordination*** centre shall perform all the following functions in the system operation region where it is established and regional ***coordination*** centres shall perform at least the following functions, set out in more detail in Annex I:	1. Each **R**egional **[ ] security coordinator** shall perform **[ ]** the following **[ ] tasks of regional relevance for transmission system operators** in the system operation region **[ ]** set out in more detail in Annex I:	

(a) coordinated capacity calculation;	(a) coordinated capacity calculation ***in accordance with the methodologies developed pursuant to Articles 21, 26, 29 and 30 of Regulation (EU) 2015/1222***;	(a) coordinated capacity calculation **in accordance with the methodologies developed pursuant to the Capacity Allocation and Congestion Management Guideline adopted on the basis of Article 18 of Regulation 714/2009**;	
(b) coordinated security analysis;	(b) coordinated security analysis ***in accordance with the methodologies developed pursuant to Articles 75 and 76 of Commission Regulation (EU) 2017/1485[1a]***; ***[1a] Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (OJ L 220, 25.8.2017, p. 1).***	(b) coordinated security analysis **in accordance with the methodologies developed pursuant to the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009**;	
(c) creation of common system models;	(c) creation of common system models ***in accordance with the methodologies and procedures developed pursuant to Articles 67, 70 and 79 of Commission Regulation (EU) 2017/1485***;	(c) creation of common **[ ] grid** models **in accordance with the methodologies and procedures developed pursuant to the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009**;	
(d) consistency assessment of transmission system operators' defense plans and restoration plans;	(d) consistency assessment of transmission system operators' defense plans and restoration plans ***in accordance with the procedure set out in Article 6 of Commission Regulation (EU) 2017/2196[b]***; ***[1b] Commission Regulation (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration (OJ L 312, 28.11.2017, p. 54)***	(d) **support the** consistency assessment of transmission system operators' defence plans and restoration plans **in accordance with the procedure set out in the Emergency and Restoration Network Code adopted on the basis of Article 6 of Regulation 714/2009**;	

		(da) regional week ahead to day-ahead system adequacy forecasts and assessments of risk reducing actions in accordance with the procedures set out in the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009;	
		(db) regional outage planning coordination in accordance with the procedures set out in the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009;	
		(dc) training and certification of staff working for Regional Security Coordinators[+];	
(e) coordination and optimization of regional restoration;		(e) **support the** coordination and optimization of regional restoration **as requested by transmission system operators**;	
(f) post-operation and post-disturbances analysis and reporting;		(f) post-operation and post-disturbances analysis and reporting;	
(g) regional sizing of reserve capacity;		**[ ]**	
(h) facilitate the regional procurement of balancing capacity;	(h) ***calculation of*** the regional balancing capacity;	**[ ]**	

(i) regional week ahead to intraday system adequacy forecasts and preparation of risk reducing actions;	(i) regional week ahead to intraday system adequacy forecasts and preparation of risk reducing actions ***in accordance with the methodology set out in Article 8 of Regulation (EU) ... [Regulation on risk preparedness as proposed by COM(2016) 862] and the procedures set out in Article 81 of Commission Regulation (EU) 2017/1485[The Commission Regulation establishing a Guideline on electricity transmission system operation]***;	**[ ]**	
(j) outage planning coordination;	(j) outage planning coordination ***in accordance with the procedures set out in Article 80 of Commission Regulation (EU) 2017/1485*** ;	**[ ]**	
(k) optimisation of compensation mechanisms between transmission system operators;	(k) optimisation of compensation mechanisms between transmission system operators;	**[ ]**	
(l) training and certification;	(l) training and certification;	**[ ]**	
(m) identification of regional crisis scenarios according to Article 6(1) of [Regulation on risk preparedness as proposed by COM(2016) 862] if this task is delegated by ENTSO for Electricity;	***deleted***	(m) identification of regional crisis scenarios if and to the extent they are requested pursuant to Article 6(1) of [Regulation on risk preparedness as proposed by COM(2016) 862;	
(n) preparation and carrying out of yearly crisis simulations in cooperation with competent authorities pursuant to Article 12(3) of [Regulation on risk preparedness as proposed by COM(2016) 862];		(n) preparation and carrying out of yearly crisis simulations in cooperation with competent authorities pursuant to Article 12(3) of [Regulation on risk preparedness as proposed by COM(2016) 862];	

(o) tasks related to the identification of regional crisis scenarios if and to the extent they are delegated to the regional operational centres pursuant to Article 6(1) of [Regulation on risk preparedness as proposed by COM(2016) 862];	(o) tasks related to the identification of regional crisis scenarios if and to the extent they are delegated to the regional ***coordination*** centres pursuant to Article 6(1) of [Regulation on risk preparedness as proposed by COM(2016) 862];	**[ ]**	
(p) tasks related to the seasonal adequacy outlooks if and to the extent they are delegated to the regional operational centres pursuant to Article 9(2) of [Regulation on risk preparedness as proposed by COM(2016) 862];	(p) tasks related to the seasonal adequacy outlooks if and to the extent they are delegated to the regional ***coordination*** centres pursuant to Article 9(2) of [Regulation on risk preparedness as proposed by COM(2016) 862];	(p) tasks related to the seasonal adequacy outlooks if and to the extent they are requested pursuant to Article 9(**[ ] 3**) of [Regulation on risk preparedness as proposed by COM(2016) 862];	
(q) calculate the maximum entry capacity available for the participation of foreign capacity in capacity mechanisms pursuant to Article 21(6).		(q) calculate **the value for the** maximum entry capacity available for the participation of foreign capacity in capacity mechanisms **[ ] for the purpose to issue an recommendation pursuant to Article 21(6).**	
	(qa) tasks related to support transmission system operators in the identification of needs for new capacity, for upgrade of existing capacity or their alternatives, to be submitted to the regional groups established pursuant to Regulation (EU) 347/2013 and included in the ten-year network development plan referred to in Article 51 of the Directive (EU) ... [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2].		

2. The Commission may add other functions to the regional operational centres, not involving decision making power, pursuant to Chapter VII of this Regulation.	**AM 134** 2. The Commission may add other functions to the regional ***coordination*** centres, not involving decision making power, pursuant to Chapter VII of this Regulation.	2. **[ ]** **Upon joint proposal of regulatory authorities, following consultation with the transmission system operators and the Regional Security Coordinators, the Member States of the system operation region may jointly decide to provide for additional advisory coordination tasks, on the basis of which Regional Security Coordinators will issue recommendations pursuant to Article 38. In such instance, Regional Security Coordinators shall execute those tasks on the basis of the methodologies drafted by transmission system operators and agreed by the relevant regulatory authorities.**	
3. Transmission system operators shall provide their regional operational centre with the information necessary to carry out its functions.	**AM 135** 3. Transmission system operators shall provide their regional ***coordination*** centre with the information necessary to carry out its functions.	3. Transmission system operators shall provide their **[ ] Regional Security Coordinators** with the information necessary to carry out its **[ ] tasks**.	
4. Regional operational centres shall provide transmission system operators of the system operation region with all the information necessary to implement the decisions and recommendations proposed by the regional operational centres.	**AM 136** 4. Regional ***coordination*** centres shall provide transmission system operators of the system operation region with all the information necessary to ***ensure system stability and security of supply.***	4. **[ ] Regional Security Coordinators** shall provide transmission system operators of the system operation region with all the information necessary to implement the **[ ] coordinated actions and** recommendations proposed by the **[ ] Regional Security Coordinators.**	

	For the functions set out in this Article and not already covered by the ***relevant guidelines, the ENTSO for Electricity shall develop a proposal in accordance with the procedure set out in Article 22.*** Regional ***coordination*** centres ***shall execute those functions on the basis of a proposal that has been approved by the Agency***.		
Article 35 *Cooperation within regional operational centres*	**AM 137** Cooperation within ***and among*** regional ***coordination*** centres	*Article 35* *Cooperation within* ***[ ] and between Regional Security Coordinators***	
1. The day-to-day operation of regional operational centres shall be managed through cooperative decision-making. The cooperative-decision making process shall be based on:	The day-to-day operation of regional ***coordination*** centres shall be managed through cooperative ***decision*** making ***amongst the transmission system operators of the region, including arrangements for coordination between regional coordination centres where relevant. The cooperative*** process shall be based on:	1. The day-to-day **[ ] coordination within and between Regional Security Coordinators** shall be managed through cooperative **[ ] processes [ ]** based on:	
(a) working arrangements to address planning and operational aspects related to the functions, in accordance with Article 36;		(a) working arrangements to address planning and operational aspects **[ ] relevant for the tasks referred to in Article 34(1)**;	

(b) a procedure for consulting the transmission system operators of the system operation region in the exercise of its operational duties and tasks, in accordance with Article 37;	(b) a procedure for consulting***, in an efficient and inclusive manner,*** the transmission system operators ***and relevant stakeholders*** of the system operation region in accordance with Article 37;	(b) a procedure for **sharing analysis and** consulting **Regional Security Coordinators proposals with** the transmission system operators of the system operation region in the exercise of the operational duties and tasks in accordance with Article 37 **and with other Regional Security Coordinators**;	
(c) a procedure for the adoption of decisions and recommendations in accordance with Article 38;	(c) a procedure for the adoption ***and revision*** of decisions and recommendations in accordance with Article 38 ***that ensures equitable treatment between members of the regional operational centre***;	(c) a procedure for the adoption of **[ ] coordinated actions** and recommendations in accordance with Article 38;	
(d) a procedure for the revision of decisions and recommendations adopted by regional operational centres in accordance with Article 39.	***deleted***	(d) a procedure for the revision of **[ ] coordinated actions** and recommendations **[ ] issued by Regional Security Coordinators** in accordance with Article 39.	
Article 36 *Working arrangements*			
1. Regional operational centres shall develop working arrangements to address planning and operational aspects related to the functions to be performed, taking into account, in particular, the specificities and requirements of those functions as specified in Annex I.	**AM 138** 1. Regional ***coordination*** centres shall develop working arrangements ***that are efficient, inclusive, transparent and facilitate consensus,*** to address planning and operational aspects related to the functions to be performed, taking into account, in particular, the specificities and requirements of those functions as specified in Annex I.	1. **[ ] Regional Security Coordinators** shall develop working arrangements to address planning and operational aspects related to the **[ ] tasks** to be performed taking into account, in particular, the specificities and requirements of those **[ ] tasks** as specified in Annex I. **Regional Security Coordinators shall also develop a process for any revision of these working arrangements.**	

2. Regional operational centres shall ensure that the working arrangements contain rules for the notification of parties concerned.	**AM 139** 2. Regional ***coordination*** centres shall ensure that the working arrangements contain rules for the notification of parties concerned.	2. **[ ] Regional Security Coordinators** shall ensure that the working arrangements contain rules for the notification of parties concerned.	
Article 37 *Consultation procedure*			
Regional operational centres shall develop a procedure to organise, in the exercise of their daily operational duties and tasks, the appropriate and regular consultation of transmission system operators and of relevant stakeholders. In order to ensure that regulatory issues can be addressed, regulatory authorities shall be involved when required.	**AM 140** Regional ***coordination*** centres shall develop a procedure to organise, in the exercise of their daily duties and tasks, the appropriate and regular consultation of transmission system operators and of relevant stakeholders. In order to ensure that regulatory issues can be addressed, regulatory authorities shall be involved when required.	**1. [ ] Regional Security Coordinators** shall develop a procedure to organise, in the exercise of their daily operational duties and tasks, the appropriate and regular consultation of transmission system operators **of the system operation region, other Regional Security Coordinators** and of relevant stakeholders. In order to ensure that regulatory issues can be addressed, regulatory authorities shall be involved when required.	
		2. If necessary, the Regional Security Coordinators may consult the Member States of the system operation region and, where applicable, their regional forums on matters of political relevance excluding the day-to-day activities of Regional Security Coordinators and the implementation of their tasks. The Regional Security Coordinators shall take due account of the recommendations given by the Member States and where applicable, by their regional forums.	

	AM 141 **Article 37 a (new)** ***Article 37a*** ***Transparency*** ***1. Regional coordination centres shall organise a process for stakeholder involvement and organise regular meetings with stakeholders to discuss matters relating to the efficient, secure and reliable operation of the interconnected system as well as to identify shortcomings and propose improvements;***		
	2. ENTSO for Electricity and regional operational centres shall operate in full transparency towards stakeholders and the general public. All relevant documentation shall be published on the website of the respective regional coordination centre. This paragraph shall apply to the proposals, justifications and decisions adopted pursuant to Articles 32 and 33, Article 35(a) and Article 38 of this Regulation.		

Article 38 *Adoption of decisions and recommendations*	**AM 142** **Article 38 – title** Adoption ***and revisions*** of decisions and recommendations	*Article 38* ***[ ] Coordinated actions*** *and recommendations*	
1. Regional operational centres shall develop a procedure for the adoption of decisions and recommendations.	**AM 143** 1. ***The transmission system operators of each*** regional ***coordination centre*** shall develop ***procedures*** for the adoption ***and revision*** of decisions and recommendations ***that ensures geographically balanced representation and equitable treatment of members of the regional coordination centre***.	1. **[ ] The transmission system operators of a system operation region** shall develop a procedure for the adoption of **[ ] coordinated actions** and recommendations **put forward by Regional Security Coordinators in accordance with the criteria set out in paragraphs 2 to 4.**	
2. Regional operational centres shall adopt binding decisions addressed to the transmission system operators in respect of the functions referred to in points (a), (b), (g) and (q) of Article 34(1). Transmission system operators shall implement the binding decisions issued by the regional operational centres except in cases when the safety of the system will be negatively affected.	**AM 144** 2. Regional ***coordination*** centres shall adopt binding decisions addressed to the transmission system operators in respect of the functions referred to in (a) ***and (b)*** of Article 34(1). Transmission system operators shall implement the binding decisions issued by the regional ***coordination*** centres except in cases ***where the implementation of the decision would result in a violation of operational security limits defined by each transmission system operator pursuant to Article 25*** of ***Commission Regulation (EU) 2017/1485***.	2. **[ ] Regional Security Coordinators** shall **[ ] set-out coordinated actions** addressed to the transmission system operators in respect of the **[ ] tasks** referred to in points (a) **and** (b), **[ ]** of Article 34(1). Transmission system operators **may decide not to [ ]** implement the **coordinated actions [ ]** issued by the **[ ] Regional Security Coordinators where the implementation of the coordinated actions would result in a violation of the operational security limits defined by each transmission system operator in accordance with [ ] the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009.**	

		2a. Where following the revision triggered in accordance with Article 39, a transmission system operator decides not to implement a coordinated action for the reasons set out in paragraph 2, it shall transparently report the detailed reasons to the Regional Security Coordinator and the transmission system operators of the system operation region without undue delay. In such cases, the Regional Security Coordinator shall assess the impact on the other transmission system operators of the system operation region and may propose a different set of coordinated actions subject to a procedure in paragraph 2.	
3. Regional operational centres shall adopt recommendations addressed to the transmission system operators for the functions referred to in points (c) to (f) and (h) to (p) of Article 34(1).	**AM 145** 3. Regional ***coordination*** centres shall adopt recommendations addressed to the transmission system operators for the functions ***listed in Article 34(1) which are not*** referred to in ***paragraph 2 of this*** Article.	3. **[ ] Regional Security Coordinators** shall adopt recommendations addressed to the transmission system operators for the **[ ] tasks** referred to in **[ ]** Article 34(1) **except for tasks covered in paragraph 2 of this Article**.	

	AM 146 **Article 38 – paragraph 3 a (new)** ***3 a. Where a transmission system operator decides to deviate from the decision or recommendation issued by the regional coordination centre, it shall submit a detailed explanation to the regional coordination centre and to other transmission system operators of the system operation region without delay.***		
	AM 147 **Article 38 – paragraph 3 b (new)** ***3 b. The revision shall be triggered at the request of one or more of the transmission system operators of the system operation region. Following the revision of the decision or recommendation, regional operational centres shall confirm or modify the measure.***		
	AM 148 **Article 38 – paragraph 3 c (new)** ***3 c. Where the measure subject to revision is a binding decision in accordance with Article 38(2) of this Regulation, the request for revision shall not suspend the decision except in cases where the implementation of the decision would result in a violation of operational security limits defined by each transmission system operator pursuant to Article 25 of the System Operation guidelines.***		

4. The regulatory authorities of a system operation region may jointly decide to grant binding decision-making powers to the regional operational centre for one or more of the functions provided for in points (c) to (f) and (h) to (l) of Article 34(1).	**AM 149** 4. The regulatory authorities of a system operation region may jointly decide to grant binding decision-making powers to the regional ***coordination*** centre for one or more of the functions ***listed in*** Article 34(1) ***and which are not referred to in paragraph 2 of this Article***.	4. **Upon proposal of regulatory authority, following consultation with the transmission system operators and Regional Security Coordinators t**he **[ ] Member States** of a system operation region may jointly decide to **grant the competence for coordinated actions or** binding decision-making powers to the **[ ] Regional Security Coordinators** for one or more of the **[ ] tasks** provided for in **[ ]** Article 34(1).	
Article 39 *Revision of decisions and recommendations*	**AM 150** ***deleted***	*Article 39* *Revision of **[ ] coordinated actions** and recommendations*	
1. Regional operational centres shall develop a procedure for the revision of decisions and recommendations.		1. **[ ] Regional Security Coordinators** shall develop a procedure for the revision of **[ ] coordinated actions** and recommendations **referred to tasks described in Article 34**.	
2. The procedure shall be triggered at the request of one or more of the transmission system operators of the system operation region. Following the revision of the decision or recommendation, regional operational centres shall confirm or modify the measure.		2. The procedure shall be triggered at the request of one or more of the transmission system operators of the system operation region. Following the revision of the **[ ] coordinated action** or recommendation, **[ ] Regional Security Coordinators [+]** shall confirm or modify the measure.	

3. Where the measure subject to revision is a binding decision in accordance with Article 38(2), the request for revision shall not suspend the decision except in cases when the safety of the system will be negatively affected.		3. Where the measure subject to revision is a **[ ] coordinated action** in accordance with Article 38(2), the request for revision shall not suspend the **[ ] coordinated action** except in cases **[ ] where the implementation of the coordinated actions would result in a violation of the operational security limits defined by each transmission system operator in accordance with the System Operation Guideline adopted on the basis of Article 18 of Regulation 714/2009**	
4. Where the measure subject to revision is a recommendation in accordance with Article 38(3) and following its revision a transmission system operator decides to deviate from the recommendation, the transmission system operator shall submit a detailed justification to the regional operational centre and to the other transmission system operators of the system operation region.		4. Where **following** the **[ ]** revision **[ ] of the** recommendation in accordance with Article 38(**[ ]3**) **[ ]**a transmission system operator decides to deviate from the recommendation, the transmission system operator shall submit a **[ ]** justification to the **[ ] Regional Security Coordinators** and to the other transmission system operators of the system operation region.	

Article 40 *Management board of regional operational centres*	**AM 151** **Article 40 – title** Management board of regional ***coordination*** centres	*Article 40* *Management board of **[ ] Regional Security Coordinators***	
1. In order to adopt measures related to their governance and to monitor their performance, the regional operational centres shall establish a management board.	**AM 152** 1. In order to adopt measures related to their governance and to monitor their performance, the regional ***coordination*** centres shall establish a management board.	1. In order to adopt measures related to their governance and to monitor their performance, the **[ ] Regional Security Coordinators** shall establish a management board.	
2. The management board shall be composed of members representing the transmission system operators and of observers representing the regulatory authorities of the system operation region. The representatives of the regulatory authorities shall have no voting rights.	**AM 153** 2. The management board shall be composed of members representing ***all*** the transmission system operators of the system operation region. The ***composition*** of the ***management board*** shall ***be geographically balanced***.	2. The management board shall be composed of members representing the transmission system operators **[ ].**	
3. The management board shall be responsible for:	**AM 154** 3. The management board shall be responsible for:	3. The management board shall be responsible for:	
(a) drafting and endorsing the statutes and rules of procedure of the regional operational centre;	(a) drafting and endorsing the statutes and rules of procedure of the regional ***coordination*** centre;	(a) drafting and endorsing the statutes and rules of procedure of the **[ ] Regional Security Coordinators**;	
(b) deciding upon and implementing the organisational structure;	(b) **[ ]** implementing the organisational structure;	(b) deciding upon and implementing the organisational structure;	
(c) preparing and endorsing the annual budget;		(c) preparing and endorsing the annual budget;	
(d) developing and endorsing the cooperative decision-making processes in accordance with Article 35.		(d) developing and endorsing the cooperative **[ ]** processes in accordance with Article 35.	

4. The competences of the management board shall exclude those that are related to the day-to-day activities of regional operational centres and the performance of its functions.	**AM 155** 4. The competences of the management board shall ***not include decisions*** related to the ***execution of the functions*** of regional ***coordination*** centres.	4. The competences of the management board shall exclude those that are related to the day-to-day activities of **[ ] Regional Security Coordinators** and the performance of its **tasks [ ].**	
Article 41 *Organisational structure*			
1. Regional operational centres shall set up and manage their organisation according to a structure that supports the safety of their functions. Their organisational structure shall specify:	**AM 156** 1. ***The transmission system operators of a system operation region*** shall set up ***the organisational*** structure ***of regional coordination centres***. Their organisational structure shall specify:	1. **Transmission system operators shall establish the necessary arrangements for Regional security coordinators to [ ]** manage their organisation according to a structure that supports the safety of their **tasks [ ].** Their organisational structure shall specify:	
(a) the authority, duties and responsibilities of the management personnel;	**AM 157** (a) the authority, duties and responsibilities of the **[ ]** personnel;	(a) the authority, duties and responsibilities of the management personnel;	
(b) the relationship and reporting lines between different parts and processes of the organisation.		(b) the relationship and reporting lines between different parts and processes of the organisation.	
2. Regional operational centres may set up regional desks to address local specificities or back-up operational centres for the efficient and reliable exercise of their functions.	**AM 158** 2. Regional ***coordination*** centres may set up regional desks to address local specificities or back-up ***coordination*** centres for the efficient and reliable exercise of their functions ***where proven to be strictly necessary***.	2. **[ ] Regional Security Coordinators** may set up regional desks to address **[ ] sub-regional** specificities or back-up regional security coordinators for the efficient and reliable exercise of their **[ ] tasks**.	

Article 42 *Equipment and staff*			
Regional operational centres shall be equipped with all the human, technical, physical and financial resources necessary for fulfilling their obligations under this Regulation and carrying out their functions.	**AM 159** Regional ***coordination*** centres shall be equipped with all the human, technical, physical and financial resources necessary for fulfilling their obligations under this Regulation and carrying out their functions ***independently and impartially***. ***The human, technical, physical and financial resources for regional coordination centres shall not go beyond what is strictly necessary for the fulfilment of its tasks while geographically balanced representation and equitable treatment of members of regional coordination centre shall be ensured.***	**[ ] Regional Security Coordinators** shall be equipped with all the human, technical, physical and financial resources necessary for fulfilling their obligations under this Regulation and carrying out their **[ ] tasks**.	
Article 43 *Monitoring and reporting*			
1. Regional operational centres shall establish a process for the continuous monitoring of at least:	**AM 160** 1. Regional ***coordination*** centres shall establish a process for the continuous monitoring of at least:	1. **[ ] Regional Security Coordinators** shall establish a process for the continuous monitoring of at least:	
(a) their operational performance;	(a) their operational performance;	(a) their operational performance;	
(b) the decisions and recommendations issued and the outcome achieved;	(b) the decisions and recommendations issued ***in particular on those where the transmission system operators have deviated*** and the outcome achieved;	(b) the **[ ] coordinated actions** and recommendations issued **the degree of implementation of the coordinated actions and recommendations by the transmission system operators** and the outcome achieved;	

(c) the effectiveness and efficiency of each of the functions for which they are responsible.		(c) the effectiveness and efficiency of each of the **[ ] tasks** for which they are responsible.	
2. Regional operational centres shall submit to the Agency and to the regulatory authorities of the system operation region the data resulting from their continuous monitoring at least annually.	**AM 161** ***deleted***	2. **[ ] Regional Security Coordinators** shall submit to the Agency **[ ]** to the regulatory authorities **and to the transmission system operators** of the system operation region the data resulting from their continuous monitoring at least annually.	
3. Regional operational centres shall establish their costs in a transparent manner and report them to the Agency and to the regulatory authorities of the system operation region.	**AM 162** 3. Regional ***coordination*** centres shall establish their costs in a transparent manner and report them to the Agency and to the regulatory authorities of the system operation region.	3. **[ ] Regional Security Coordinators** shall establish their costs in a transparent manner and report them to the Agency and to the regulatory authorities of the system operation region.	
4. Regional operational centres shall submit an annual report concerning their performance to ENTSO for Electricity, the Agency, the regulatory authorities of the system operation region and the Electricity Coordination Group established pursuant to Article 1 of Commission Decision 2012/C 353/02[22].	**AM 163** 4. Regional ***coordination*** centres shall submit an annual report ***containing relevant monitoring data pursuant to paragraph 1 of this Article and information on*** their performance to ENTSO for Electricity, the Agency, the regulatory authorities of the system operation region and the Electricity Coordination Group established pursuant to Article 1 of Commission Decision 2012/C 353/02.	4. **[ ] Regional Security Coordinators** shall submit an annual report concerning their performance to ENTSO for Electricity, the Agency, the regulatory authorities of the system operation region and the Electricity Coordination Group established pursuant to Article 1 of Commission Decision 2012/C 353/02[23].	

[22] Commission Decision of 15 November 2012 setting up the Electricity Coordination Group (OJ C 353, 17.11.2012, p.2).
[23] Commission Decision of 15 November 2012 setting up the Electricity Coordination Group (OJ C 353, 17.11.2012, p.2).

5. Regional operational centres shall report shortcomings identified in the monitoring process under paragraph 1 to ENTSO for electricity, the regulatory authorities of the system operation region, the Agency and the competent authorities of Member States responsible for the prevention and management of crisis situations.	**AM 164** 5. Regional ***coordination*** centres shall report shortcomings identified in the monitoring process under paragraph 1 to ENTSO for electricity, the regulatory authorities of the system operation region, the Agency and the competent authorities of Member States responsible for the prevention and management of crisis situations.	5. **[ ] Regional Security Coordinators** shall report shortcomings identified in the monitoring process under paragraph 1 to ENTSO for electricity, the regulatory authorities of the **region** the Agency and the competent authorities of Member States responsible for the prevention and management of crisis situations. **Following this report, the regulatory authorities of the region may propose to the Regional Security Coordinators measures to address the shortcomings.**	
	AM 165 **Article 43 – paragraph 5 a (new)** ***5 a. Without prejudice to the principle of confidentiality and the need to preserve security and commercially sensitive information regional coordination centres shall make public the reports referred to in paragraphs 4 and 5.***		

Article 44 *Liability*			
Regional operational centres shall take the necessary steps to cover liability related to the execution of their tasks, in particular, where they adopt decisions binding on transmission system operators. The method employed to provide the cover shall take into account the legal status of the regional operational centre and the level of commercial insurance cover available.	**AM 166** ***The proposal for the establishment of*** regional ***coordination*** centres ***in accordance with Article 32,*** shall ***include arrangements*** to cover liability related to the execution of ***the*** tasks ***of the regional coordination centre***. The method employed to provide the cover shall take into account the legal status of the regional ***coordination*** centre and the level of commercial insurance cover available.	**[ ] In the proposal for the establishment of regional security coordinators in accordance with Article 32, the transmission system operators of the of the system operation region** shall take the necessary steps to cover liability related to the execution of their tasks. **[ ]** The method employed to provide the cover shall take into account the legal status of the **[ ] Regional Security Coordinators** and the level of commercial insurance cover available.	
Article 45 *Ten-year network development plan*			
1. The Union-wide network development plan referred to under Article 27(1)(b) shall include the modelling of the integrated network, scenario development and an assessment of the resilience of the system. The Union-wide network development plan shall, in particular:		1. The Union-wide network development plan referred to under Article 27(1)(b) shall include the modelling of the integrated network, scenario development and an assessment of the resilience of the system. The Union-wide network development plan shall, in particular:	

(a) build on national investment plans, taking into account regional investment plans as referred to in Article 12(1), and, if appropriate, Union aspects of network planning as set out in Regulation (EU) No 347/2013 of the European Parliament and of the Council [24]; it shall be subject to a cost-benefit analysis using the methodology established as set out in Article 11 of that Regulation;		(a) build on national investment plans, taking into account regional investment plans as referred to in Article 12(1), and, if appropriate, Union aspects of network planning as set out in Regulation (EU) No 347/2013 of the European Parliament and of the Council ; it shall be subject to a cost-benefit analysis using the methodology established as set out in Article 11 of that Regulation;	
(b) regarding cross-border interconnections, also build on the reasonable needs of different system users and integrate long-term commitments from investors referred to in Articles 44 and 51 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2]; and		(b) regarding cross-border interconnections, also build on the reasonable needs of different system users and integrate long-term commitments from investors referred to in Articles 44 and 51 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2]; and	
(c) identify investment gaps, notably with respect to cross-border capacities.		(c) identify investment gaps, notably with respect to cross-border capacities.	
In regard to point (c) , a review of barriers to the increase of cross-border capacity of the network arising from different approval procedures or practices may be annexed to the Union-wide network development plan.		In regard to point (c) , a review of barriers to the increase of cross-border capacity of the network arising from different approval procedures or practices may be annexed to the Union-wide network development plan.	

[24] Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure (OJ L 115, 25.4.2013, p. 39).

2. The Agency shall provide an opinion on the national ten-year network development plans to assess their consistency with the Union-wide network development plan. If the Agency identifies inconsistencies between a national ten-year network development plan and the Union-wide network development plan, it shall recommend amending the national ten-year network development plan or the Union-wide network development plan as appropriate. If such national ten-year network development plan is elaborated in accordance with Article 51 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2], the Agency shall recommend that the competent national regulatory authority amend the national ten-year network development plan in accordance with Article 51(7) of that Directive and inform the Commission thereof.		2. The Agency shall provide an opinion on the national ten-year network development plans to assess their consistency with the Union-wide network development plan. If the Agency identifies inconsistencies between a national ten-year network development plan and the Union-wide network development plan, it shall recommend amending the national ten-year network development plan or the Union-wide network development plan as appropriate. If such national ten-year network development plan is elaborated in accordance with Article 51 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2], the Agency shall recommend that the competent national regulatory authority amend the national ten-year network development plan in accordance with Article 51(7) of that Directive and inform the Commission thereof.	
Article 46 *Inter-transmission system operator compensation mechanism*			
1. Transmission system operators shall receive compensation for costs incurred as a result of hosting cross-border flows of electricity on their networks.		1. Transmission system operators shall receive compensation for costs incurred as a result of hosting cross-border flows of electricity on their networks.	

2. The compensation referred to in paragraph 1 shall be paid by the operators of national transmission systems from which cross-border flows originate and the systems where those flows end.		2. The compensation referred to in paragraph 1 shall be paid by the operators of national transmission systems from which cross-border flows originate and the systems where those flows end.	
3. Compensation payments shall be made on a regular basis with regard to a given period of time in the past. Ex-post adjustments of compensation paid shall be made where necessary, to reflect costs actually incurred.		3. Compensation payments shall be made on a regular basis with regard to a given period of time in the past. Ex-post adjustments of compensation paid shall be made where necessary, to reflect costs actually incurred.	
The first period of time for which compensation payments shall be made shall be determined in the guidelines referred to in Article 57.		The first period of time for which compensation payments shall be made shall be determined in the guidelines referred to in Article 57.	
4. The Commission shall adopt delegated acts in accordance with Article 63 concerning the amounts of compensation payments payable.		4. The Commission shall adopt delegated acts in accordance with Article 63 concerning the amounts of compensation payments payable.	
5. The magnitude of cross-border flows hosted and the magnitude of cross-border flows designated as originating and/or ending in national transmission systems shall be determined on the basis of the physical flows of electricity actually measured during a given period of time.		5. The magnitude of cross-border flows hosted and the magnitude of cross-border flows designated as originating and/or ending in national transmission systems shall be determined on the basis of the physical flows of electricity actually measured during a given period of time.	

6. The costs incurred as a result of hosting cross-border flows shall be established on the basis of the forward-looking long-run average incremental costs, taking into account losses, investment in new infrastructure, and an appropriate proportion of the cost of existing infrastructure, in so far as such infrastructure is used for the transmission of cross-border flows, in particular taking into account the need to guarantee security of supply. When establishing the costs incurred, recognised standard-costing methodologies shall be used. Benefits that a network incurs as a result of hosting cross-border flows shall be taken into account to reduce the compensation received.		6. The costs incurred as a result of hosting cross-border flows shall be established on the basis of the forward-looking long-run average incremental costs, taking into account losses, investment in new infrastructure, and an appropriate proportion of the cost of existing infrastructure, in so far as such infrastructure is used for the transmission of cross-border flows, in particular taking into account the need to guarantee security of supply. When establishing the costs incurred, recognised standard-costing methodologies shall be used. Benefits that a network incurs as a result of hosting cross-border flows shall be taken into account to reduce the compensation received.	
7. For the purpose of the inter-transmission system operator compensation mechanism only, where transmission networks of two or more Member States form part, in whole or in part, of a single control block, the control block as a whole shall be considered as forming part of the transmission network of one of the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this		7. For the purpose of the inter-transmission system operator compensation mechanism only, where transmission networks of two or more Member States form part, in whole or in part, of a single control block, the control block as a whole shall be considered as forming part of the transmission network of one of the Member States concerned, in order to avoid flows within control blocks being considered as cross-border flows under Article 2(2)(b) and giving rise to compensation payments under paragraph 1 of this Article. The	

Article . The regulatory authorities of the Member States concerned may decide which of the Member States concerned shall be that of which the control block as a whole is to be considered to form part.		regulatory authorities of the Member States concerned may decide which of the Member States concerned shall be that of which the control block as a whole is to be considered to form part.	
Article 47 *Provision of information*			
1. Transmission system operators shall put in place coordination and information exchange mechanisms to ensure the security of the networks in the context of congestion management.		1. Transmission system operators shall put in place coordination and information exchange mechanisms to ensure the security of the networks in the context of congestion management.	
2. The safety, operational and planning standards used by transmission system operators shall be made public. The information published shall include a general scheme for the calculation of the total transfer capacity and the transmission reliability margin based upon the electrical and physical features of the network. Such schemes shall be subject to the approval of the regulatory authorities.		2. The safety, operational and planning standards used by transmission system operators shall be made public. The information published shall include a general scheme for the calculation of the total transfer capacity and the transmission reliability margin based upon the electrical and physical features of the network. Such schemes shall be subject to the approval of the regulatory authorities.	

3. Transmission system operators shall publish estimates of available transfer capacity for each day, indicating any available transfer capacity already reserved. Those publications shall be made at specified intervals before the day of transport and shall include, in any event, week-ahead and month-ahead estimates, as well as a quantitative indication of the expected reliability of the available capacity.		3. Transmission system operators shall publish estimates of available transfer capacity for each day, indicating any available transfer capacity already reserved. Those publications shall be made at specified intervals before the day of transport and shall include, in any event, week-ahead and month-ahead estimates, as well as a quantitative indication of the expected reliability of the available capacity.	
4. Transmission system operators shall publish relevant data on aggregated forecast and actual demand, on availability and actual use of generation and load assets, on availability and use of the networks and interconnections, and on balancing power and reserve capacity. For availability and actual use of small generation and load units, aggregated estimate data may be used.	**AM 167** 4. Transmission system operators shall publish relevant data on aggregated forecast and actual demand, on availability and actual use of generation and load assets, on availability and use of the networks and interconnections, on balancing power and reserve capacity ***and on the availability of flexibility***. For availability and actual use of small generation and load units, aggregated estimate data may be used.	4. Transmission system operators shall publish relevant data on aggregated forecast and actual demand, on availability and actual use of generation and load assets, on availability and use of the networks and interconnections, and on balancing power and reserve capacity. For availability and actual use of small generation and load units, aggregated estimate data may be used.	
5. The market participants concerned shall provide the transmission system operators with the relevant data.		5. The market participants concerned shall provide the transmission system operators with the relevant data.	

6. Generation undertakings which own or operate generation assets, where at least one generation asset has an installed capacity of at least 250 MW, or which have a portfolio comprising at least 400 MW of generation assets, shall keep at the disposal of the national regulatory authority, the national competition authority and the Commission, for five years all hourly data per plant that is necessary to verify all operational dispatching decisions and the bidding behaviour at power exchanges, interconnection auctions, reserve markets and over-the-counter-markets. The per-plant and per hour information to be stored shall include, but shall not be limited to, data on available generation capacity and committed reserves, including allocation of those committed reserves on a per-plant level, at the times the bidding is carried out and when production takes place.		6. Generation undertakings which own or operate generation assets, where at least one generation asset has an installed capacity of at least 250 MW, or which have a portfolio comprising at least 400 MW of generation assets, shall keep at the disposal of the national regulatory authority, the national competition authority and the Commission, for five years all hourly data per plant that is necessary to verify all operational dispatching decisions and the bidding behaviour at power exchanges, interconnection auctions, reserve markets and over-the-counter-markets. The per-plant and per hour information to be stored shall include, but shall not be limited to, data on available generation capacity and committed reserves, including allocation of those committed reserves on a per-plant level, at the times the bidding is carried out and when production takes place.	

7. Transmission system operators shall exchange regularly a set of sufficiently accurate network and load flow data in order to enable load flow calculations for each transmission system operator in their relevant area. The same set of data shall be made available to the regulatory authorities and to the Commission upon request. The regulatory authorities and the Commission shall treat that set of data confidentially, and shall ensure that confidential treatment is also given by any consultant carrying out analytical work on their request, on the basis of those data.		7. Transmission system operators shall exchange regularly a set of sufficiently accurate network and load flow data in order to enable load flow calculations for each transmission system operator in their relevant area. The same set of data shall be made available to the regulatory authorities and to the Commission **and Member States** upon request. The regulatory authorities, **Member States** and the Commission shall treat that set of data confidentially, and shall ensure that confidential treatment is also given by any consultant carrying out analytical work on their request, on the basis of those data.	
Article 48 *Certification of transmission system operators*			
1. The Commission shall examine any notification of a decision on the certification of a transmission system operator as laid down in Article 52(6) of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2] as soon as it is received. Within two months of the day of receipt of such notification, the Commission shall deliver its opinion to the relevant national regulatory authority as to its compatibility with Article 52(2) or Article 53 and Article 43 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2].		1. The Commission shall examine any notification of a decision on the certification of a transmission system operator as laid down in Article 52(6) of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2] as soon as it is received. Within two months of the day of receipt of such notification, the Commission shall deliver its opinion to the relevant national regulatory authority as to its compatibility with Article 52(2) or Article 53 and Article 43 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2].	

When preparing the opinion referred to in the first subparagraph, the Commission may request the Agency to provide its opinion on the national regulatory authority's decision. In such a case, the two-month period referred to in the first subparagraph shall be extended by two further months.		When preparing the opinion referred to in the first subparagraph, the Commission may request the Agency to provide its opinion on the national regulatory authority's decision. In such a case, the two-month period referred to in the first subparagraph shall be extended by two further months.	
In the absence of an opinion by the Commission within the periods referred to in the first and second subparagraphs, the Commission shall be deemed not to raise objections to the regulatory authority's decision.		In the absence of an opinion by the Commission within the periods referred to in the first and second subparagraphs, the Commission shall be deemed not to raise objections to the regulatory authority's decision.	
2. Within two months of receiving an opinion of the Commission, the national regulatory authority shall adopt its final decision regarding the certification of the transmission system operator, taking the utmost account of that opinion. The regulatory authority's decision and the Commission's opinion shall be published together.		2. Within two months of receiving an opinion of the Commission, the national regulatory authority shall adopt its final decision regarding the certification of the transmission system operator, taking the utmost account of that opinion. The regulatory authority's decision and the Commission's opinion shall be published together.	
3. At any time during the procedure, regulatory authorities and/or the Commission may request from a transmission system operator and/or an undertaking performing any of the functions of generation or supply any information relevant to the fulfilment of their tasks under this Article.		3. At any time during the procedure, regulatory authorities and/or the Commission may request from a transmission system operator and/or an undertaking performing any of the functions of generation or supply any information relevant to the fulfilment of their tasks under this Article.	

4. Regulatory authorities and the Commission shall preserve the confidentiality of commercially sensitive information.		4. Regulatory authorities and the Commission shall preserve the confidentiality of commercially sensitive information.	
5. Where the Commission has received notification of the certification of a transmission system operator under Article 43(9) of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2] , the Commission shall take a decision relating to certification. The regulatory authority shall comply with the Commission decision.		5. Where the Commission has received notification of the certification of a transmission system operator under Article 43(9) of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2], the Commission shall take a decision relating to certification. The regulatory authority shall comply with the Commission decision.	
Chapter VI **Distribution system operation**			
Article 49 *European entity for distribution system operators*		*Article 49* ***[ ] Cooperation of distribution system operators***	
Distribution system operators which are not part of a vertically integrated undertaking or which are unbundled according to the provisions of Article 35 [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2], shall cooperate at Union level through a European Entity for Distribution system operators ("EU DSO entity"), in order to promote the completion and functioning of the internal market in electricity, and to promote optimal management and a coordinated operation of distribution and transmission systems. Distribution system operators who wish to participate in the EU DSO entity shall become registered members of the entity.	**AM 168** Distribution system operators shall cooperate at Union level through a European Entity for Distribution system operators ("EU DSO entity"), in order to promote the completion and functioning of the internal market in electricity, and to promote optimal management and a coordinated operation of distribution and transmission systems. Distribution system operators who wish to participate in the EU DSO entity shall ***have the right to*** become registered members of the entity.	1. Distribution system operators **[ ]** shall cooperate at Union level **[ ]** to promote the completion and functioning of the internal market in electricity, and to promote optimal management and a coordinated operation of distribution and transmission systems. **[ ]**	

	Registered members may participate in the EU DSO entity directly or be represented by the national association designated by the Member State or by an Union level association.		
	In performing its functions under Union law, the EU DSO entity shall act independently from individual national interests or the national interests of distribution system operators.		
		1a. Distribution system operators are entitled to associate themselves through the establishment of a European Entity for Distribution system operators the EU DSO entity and to join it. The EU DSO entity shall be established at the latest by 31 December 2022 and shall fulfil the tasks and procedures foreseen by this Regulation in accordance with Article [51]. As an expert entity working for the common European interest, it shall not represent particular interest nor seek to influence the decision making process to defend certain interests.	

		1b. Members of the EU DSO entity shall be subject to registration and payment of a fair and proportionate membership fee.	
Article 50 *Establishment of the EU DSO entity for electricity*		*Article 50* *Establishment of the EU DSO entity**[ ]***	
		0. EU DSO entity shall consist of, at least, a General Assembly, Board of Directors, Strategic Advisor Group, Expert Groups and a Secretary General.	
1. By [OP: twelve months after entry into force], the distribution system operators, with the administrative support of the Agency, shall submit to the Commission and to the Agency the draft statutes, a list of registered members, the draft rules of procedure, including the rules of procedures on the consultation with ENTSO for Electricity and other stakeholders and the financing rules, of the EU DSO entity to be established.	**AM 169** 1. By [OP: twelve months after entry into force], the distribution system operators, with the administrative support of the Agency, shall submit to the Commission and to the Agency the draft statutes, a list of ***participating distribution system operators and entities designated to represent distribution system operators***, the draft rules of procedure, including the rules of procedures on the consultation with ENTSO for Electricity and other stakeholders***, the decision-making procedure*** and the financing rules, of the EU DSO entity to be established.	1. **[ ] Within** [OP: *twelve months after entry into force*], the distribution system operators **[ ]** shall submit to the Commission and to the Agency the draft statutes **in accordance with [Article 50a] including a code of conduct**, a list of registered members, the draft rules of procedure, including the rules of procedures on the consultation with ENTSO for Electricity and other stakeholders **[ ]** and the financing rules, of the EU DSO entity to be established.	
	The draft rules of procedure of the EU DSO entity shall ensure balanced representation of all participating DSOs regardless of their size, including in the decision-making procedure.		

2. Within two months of receipt, the Agency, after formally consulting the organisations representing all stakeholders, in particular distribution system users, shall provide an opinion to the Commission on the draft statutes, the list of members and the draft rules of procedure.	**AM 170** 2. Within two months of receipt, the Agency, after formally consulting the organisations representing all stakeholders, in particular distribution system users ***and consumer protection organisations***, shall provide an opinion to the Commission on the draft statutes, the list of members and the draft rules of procedure***, taking into account in particular the rules related to the independence of the EU DSO, to the prevention of conflicts of interests, and to the necessity to ensure geographically balanced representation and equitable treatment of its Members***.	2. Within two months of receipt, the Agency, after formally consulting the organisations representing all stakeholders, in particular distribution system users, shall provide an opinion to the Commission on the draft statutes, the list of members and the draft rules of procedure.	
3. The Commission shall deliver an opinion on the draft statutes, the list of members and the draft rules of procedure taking into account the opinion of the Agency provided for in paragraph 2, within three months of receipt of the opinion of the Agency.	**AM 171** 3. The Commission shall deliver an opinion on the draft statutes, the list of members and the draft rules of procedure***, including the rules of procedures on the consultation with ENTSO for Electricity and other stakeholders, the decision-making procedure and the financing rules,*** taking into account the opinion of the Agency provided for in paragraph 2, within three months of receipt of the opinion of the Agency.	3. The Commission shall deliver an opinion on the draft statutes, the list of members and the draft rules of procedure taking into account the opinion of the Agency provided for in paragraph 2, within three months of receipt of the opinion of the Agency.	

4. Within three months of the day of receipt of the Commission's positive opinion, the distribution system operators shall establish the EU DSO entity and adopt and publish its statutes and rules of procedure.		4. Within three months of the day of receipt of the Commission's positive opinion, the distribution system operators shall establish the EU DSO entity and adopt and publish its statutes and rules of procedure.	
5. The documents referred to in paragraph 1 shall be submitted to the Commission and to the Agency in case of changes thereof or upon their reasoned request. The Agency and the Commission shall deliver an opinion in line with the process set out in paragraphs 2 to 4.		5. The documents referred to in paragraph 1 shall be submitted to the Commission and to the Agency in case of changes thereof or upon their reasoned request. The Agency and the Commission shall deliver an opinion in line with the process set out in paragraph 2 to 4.	
6. The costs related to the activities of the EU DSO entity shall be borne by distribution system operators who are registered members and shall be taken into account in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and proportionate.	**AM 172** 6. The costs related to the activities of the EU DSO entity shall be borne by distribution system operators who are registered members and shall be ***considered as eligible cost and*** taken into account ***by the regulatory authority*** in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and proportionate.	6. The costs related to the activities of the EU DSO entity shall be borne by distribution system operators who are registered members and shall be taken into account in the calculation of tariffs. Regulatory authorities shall approve those costs only if they are reasonable and proportionate.	

	AM 173 **Article 50 a (new)** ***Article 50a*** ***Principal rules and procedures for the EU DSO entity for electricity***	**Article 50a** **Principal rules and procedures for the EU DSO entity for electricity**	
	1. The statutes of the EU DSO entity adopted in accordance with Article 50 shall safeguard the following principles:	**1. The statutes of the EU DSO entity adopted in accordance with Article 50 shall safeguard the following principles:**	
	(a) participation in the works of the EU DSO entity is limited to registered members with the possibility of delegation within the membership;	**(a) participation in the works of the EU DSO entity is limited to registered members with the possibility of delegation within the membership;**	
	(b) strategic decisions regarding the activities of the EU DSO entity as well as policy guidelines for the Board of Directors are adopted by the General Assembly;	**(b) strategic decisions regarding the activities of the EU DSO entity as well as policy guidelines for the Board of Directors are adopted by the General Assembly;**	
	(c) decisions of the General Assembly are adopted according with the following rules: ***- when 65% of the votes attributed to the members of the General Assembly are reached,*** ***- whereby each member disposes of a number of votes proportional to the respective number of customers and*** ***- the final outcome is supported by at least 55% of the members of the General Assembly.***	**(c) decisions of the General Assembly are adopted according with the following rules:** **- when 65% of the votes attributed to the members of the General Assembly are reached,** **- whereby each member disposes of a number of votes proportional to the respective number of customers and** **- the final outcome is supported by at least 55% of the members of the General Assembly.**	

	(d) decisions of the General Assembly are blocked according with the following rules: ***-when 35% of the votes attributed to the members of the General Assembly are reached,*** ***- whereby each member disposes of a number of votes proportional to the respective number of customers; and*** ***- the final outcome is supported by at least 25% of the members of the General Assembly***	**(d) decisions of the General Assembly are blocked according with the following rules:** **-when 35% of the votes attributed to the members of the General Assembly are reached,** **- whereby each member disposes of a number of votes proportional to the respective number of customers; and** **- the final outcome is supported by at least 25% of the members of the General Assembly**	
	(e) the Board of Directors is elected by the General Assembly for a mandate of maximum 4 years;	**(e) the Board of Directors is elected by the General Assembly for a mandate of maximum 4 years;**	
	(f) the Board of Directors nominates the President and the three Vice-Presidents among its members;	**(f) the Board of Directors nominates the President and the three Vice-Presidents among its members;**	
	(g) DSO-TSO cooperation pursuant to Articles 52 and 53 is led by the Board of Directors;	**(g) DSO-TSO cooperation pursuant to Articles 52 and 53 is led by the Board of Directors;**	
	(h) decisions of the Board of Directors are adopted by simple majority of 15 votes;	**(h) decisions of the Board of Directors are adopted by simple majority of 15 votes;**	
	(i) based on proposal by the Board of Directors, the Secretary General is appointed by the General Assembly among its members for a four years mandate, renewable once;	**(i) based on proposal by the Board of Directors, the Secretary General is appointed by the General Assembly among its members for a four years mandate, renewable once;**	

	(j) based on proposal by the Board of Directors, Expert Groups are appointed by the General Assembly whereby each group shall not exceed 30 members with the possibility of 1/3 coming from outside the membership. In addition, 'one country' expert group shall be established and consist of exactly one DSO representative from each Member State.	**(j) based on proposal by the Board of Directors, Expert Groups are appointed by the General Assembly whereby each group shall not exceed 30 members with the possibility of 1/3 coming from outside the membership. In addition, 'one country' expert group shall be established and consist of exactly one DSO representative from each Member State.**	
	2. Procedures adopted by the EU DSO entity shall safeguard the fair and proportionate treatment of its members and reflect the diverse geographical and economic structure of its membership. In particular, the procedures shall foresee that:	**2. Procedures adopted by the EU DSO entity shall safeguard the fair and proportionate treatment of its members and reflect the diverse geographical and economic structure of its membership. In particular, the procedures shall foresee that:**	
	(a) the Board of Directors is composed by the President of the Board and 27 members' representatives, of which: ***- [ ] 9 are representatives of members with more than 1 million grid users;*** ***- [ ] 9 are representatives of members with more than 100,000 and less than 1 million grid users; and*** ***- [ ] 9 are representatives of members with less than 100,000 grid users;***	**(a) the Board of Directors is composed by the President of the Board and 27 members' representatives, of which:** **- 9 are representatives of members with more than 1 million grid users;** **- 9 are representatives of members with more than 100,000 and less than 1 million grid users; and** **- 9 are representatives of members with less than 100,000 grid users;**	

	(b) representatives of existing DSO associations may participate as observers to the meetings of the Board of Directors;	**(b) representatives of existing DSO associations may participate as observers to the meetings of the Board of Directors;**	
	(c) the Board of Directors may not consist of more than 3 representatives of members based in the same Member State or the same industrial group;	**(c) the Board of Directors may not consist of more than 3 representatives of members based in the same Member State or the same industrial group;**	
	(d) each Vice-President of the Board has to be nominated among representatives of members in each category described in paragraph (a) above;	**(d) each Vice-President of the Board has to be nominated among representatives of members in each category described in paragraph (a) above;**	
	(e) representatives of members based in one Member State or the same industrial group may not constitute the majority of the Expert Group participants;	**(e) representatives of members based in one Member State or the same industrial group may not constitute the majority of the Expert Group participants;**	
	(f) the Board of Directors shall establish a Strategic Advisory group that provides its opinion to the Board of Directors and the Expert Groups and consists of representatives of the European DSO associations and representatives of those Member States which are not represented in the Board of Directors.	**(f) the Board of Directors shall establish a Strategic Advisory group that provides its opinion to the Board of Directors and the Expert Groups and consists of representatives of the European DSO associations and representatives of those Member States which are not represented in the Board of Directors.**	

Article 51 *Tasks of the EU DSO entity*			
1. The tasks of the EU DSO entity shall be the following:	**AM 174** 1. The tasks of the EU DSO entity shall be the following:	1. The tasks of the EU DSO entity shall be the following:	
(a) coordinated operation and planning of transmission and distribution networks;	(a) ***promote*** coordinated operation and planning of transmission and distribution networks;	(a) *(b in GA)* **[ ] promote** operation and planning of **[ ]** distribution networks **in cooperation with operation and planning of transmission networks**;	
(b) integration of renewable energy resources, distributed generation and other resources embedded in the distribution network such as energy storage;	(b) ***improve and maximise the*** integration of renewable energy resources, distributed generation and ***facilitate*** other resources embedded in the distribution network such as energy storage ***and sectoral integration***;	(b) *(c in GA)* **facilitation of the** integration of renewable energy resources, distributed generation and other resources embedded in the distribution network such as energy storage;	
(c) development of demand response;	(c) ***facilitate the*** development of demand response;	(c) *(d in GA)* **facilitation [ ]** demand **side flexibility and** response, **and distribution grid users' access to markets**;	
(d) digitalisation of distribution networks including deployment of smart grids and intelligent metering systems;	(d) ***improve the*** digitalisation of distribution networks including deployment of smart grids and ***smart*** metering systems;	(d) *(e in GA)* **contribute to the** digitalisation of distribution **[ ] systems** including deployment of smart grids and intelligent metering systems;	
(e) data management, cyber security and data protection;	(e) ***guarantee non-discriminatory and neutral access to data regardless of the*** data management ***model, and promote standardization, cross-border data exchange, in particular with ENTSO for Electricity where relevant to facilitate data exchange***, cyber security and data protection;	(e) *(f in GA)* **support the development of** data management, cyber security and data protection **in cooperation with relevant authorities and regulated entities**;	

(f) participation in the elaboration of network codes pursuant to Article 55.	(f) ***participate*** in the elaboration of network codes pursuant to Article 55.	(f) *(a in GA)* participation in the elaboration of network codes **which are relevant to the operation and planning of distribution grids and the coordinated operation of the transmission and distribution networks** pursuant to Article 55.	
2. In addition the EU DSO entity shall:		2. In addition the EU DSO entity shall:	
(a) cooperate with ENTSO for electricity on the monitoring of implementation of the network codes and guidelines which are relevant to the operation and planning of distribution grids and the coordinated operation of the transmission and distribution networks and which are adopted pursuant to this Regulation;	**AM 175** (a) cooperate ***effectively*** with ENTSO for electricity***, the Agency and national regulators to facilitate*** the monitoring ***by the Agency and where relevant the national regulatory authorities*** of implementation of the network codes and guidelines which are relevant to the operation and planning of distribution grids and the coordinated operation of the transmission and distribution networks and which are adopted pursuant to this Regulation;	(a) cooperate with ENTSO for electricity on the monitoring of implementation of the network codes and guidelines which are relevant to the operation and planning of distribution grids and the coordinated operation of the transmission and distribution networks and which are adopted pursuant to this Regulation;	
(b) cooperate with ENTSO for electricity and adopt best practices on the coordinated operation and planning of transmission and distribution systems including issues such as exchange of data between operators and coordination of distributed energy resources;		(b) cooperate with ENTSO for electricity and adopt best practices on the coordinated operation and planning of transmission and distribution systems including issues such as exchange of data between operators and coordination of distributed energy resources;	

(c) work on identifying best practices on the areas identified in paragraph 1 and for the introduction of energy efficiency improvements in the distribution network;		**[ ]**	
(d) adopt an annual work programme and an annual report;		(d) adopt an annual work programme and an annual report;	
(e) operate in full compliance with competition rules.		(e) operate in full compliance with competition rules **and ensure neutrality.**	
Article 52 *Consultations in the network code development process*			
1. While preparing possible network codes pursuant to Article 55, the EU DSO entity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 50. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.	**AM 176** 1. While ***participating in the elaboration of new*** network codes pursuant to Article 55, the EU DSO entity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 50. That consultation shall also involve national regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, distribution system operators, including relevant industry associations, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.	1. While preparing possible network codes pursuant to Article 55, the EU DSO entity shall conduct an extensive consultation process, at an early stage and in an open and transparent manner, involving all relevant stakeholders, and, in particular, the organisations representing all stakeholders, in accordance with the rules of procedure referred to in Article 50. That consultation shall also involve **[ ]** regulatory authorities and other national authorities, supply and generation undertakings, system users including customers, **[ ]**, technical bodies and stakeholder platforms. It shall aim at identifying the views and proposals of all relevant parties during the decision-making process.	

2. All documents and minutes of meetings related to the consultations referred to in paragraph 1 shall be made public.		2. All documents and minutes of meetings related to the consultations referred to in paragraph 1 shall be made public.	
3. The EU DSO entity shall take into consideration the views provided during the consultations. Before adopting proposals for network codes referred to in Article 55 the EU DSO entity shall indicate how the observations received during the consultation have been taken into consideration. It shall provide reasons where observations have not been taken into account.		3. The EU DSO entity shall take into consideration the views provided during the consultations. Before adopting proposals for network codes referred to in Article 55 the EU DSO entity shall indicate how the observations received during the consultation have been taken into consideration. It shall provide reasons where observations have not been taken into account.	

Article 53 *Cooperation between distribution system operators and transmission system operators*			
	AM 177 **Article 53 – paragraph -1 (new)** ***-1. The ENTSO for Electricity and the EU DSO entity shall develop a formal mechanism to facilitate cooperation between distribution system operators and transmission system operators.***		
1. Distribution system operators shall cooperate with transmission system operators in planning and operating their networks. In particular, transmission and distribution system operators shall exchange all necessary information and data regarding, the performance of generation assets and demand side response, the daily operation of their networks and the long-term planning of network investments, with the view to ensure the cost-efficient, secure and reliable development and operation of their networks.	**AM 178** 1. Distribution ***system operators and transmission*** system operators shall cooperate in planning and operating their networks. In particular, transmission and distribution system operators shall exchange all necessary information and data regarding, the performance of generation assets and demand side response, the daily operation of their networks and the long-term planning of network investments, with the view to ensure the cost-efficient ***development and operation and the*** secure and reliable operation of their networks.	1. Distribution system operators and **transmission system operators** shall cooperate with **each other [ ]** in planning and operating their networks. In particular, transmission and distribution system operators shall exchange all necessary information and data regarding, the performance of generation assets and demand side response, the daily operation of their networks and the long-term planning of network investments, with the view to ensure the cost-efficient, secure and reliable development and operation of their networks.	
2. Transmission and distribution system operators shall cooperate in order to achieve coordinated access to resources such as distributed generation, energy storage or demand response that may support particular needs of both the distribution system and the transmission system.		2. Transmission and distribution system operators shall cooperate **with each other** in order to achieve coordinated access to resources such as distributed generation, energy storage or demand response that may support particular needs of both the distribution system and the transmission system.	

Chapter VII **Network codes and guidelines**			
Article 54 *Adoption of network codes and guidelines*			
1. The Commission may, subject to the empowerments in Articles 55 and 57, adopt delegated acts. Such delegated acts can either be adopted as network codes on the basis of text proposals developed by the ENTSO for Electricity, or, where so decided in the priority list pursuant to Article 55 paragraph 2, by the EU DSO entity and the Agency pursuant to the procedure in Article 55 or as guidelines pursuant to the procedure in Article 57.		1. The Commission may, subject to the empowerments in Articles 55 and 57, adopt **[ ] implementing** acts. Such **[ ] implementing** acts can either be adopted as network codes on the basis of text proposals developed by the ENTSO for Electricity, or, where so decided in the priority list pursuant to Article 55 paragraph 2, by the EU DSO entity **where relevant in mutual cooperation with the ENTSO for Electricity** and the Agency pursuant to the procedure in Article 55 or as guidelines pursuant to the procedure in Article 57.	
2. The network codes and guidelines shall		2. The network codes and guidelines shall	
(a) ensure that they provide the minimum degree of harmonisation required to achieve the aims of this Regulation;		(a) ensure that they provide the minimum degree of harmonisation required to achieve the aims of this Regulation;	
(b) take into account, where appropriate, regional specificities;		(b) take into account, where appropriate, regional specificities;	
(c) not go beyond what is necessary for that purpose; and		(c) not go beyond what is necessary for that purpose; and	
(d) be without prejudice to the Member States' right to establish national network codes which do not affect cross-border trade.		(d) be without prejudice to the Member States' right to establish national network codes which do not affect cross **[ ] zonal** trade.	

Article 55 *Establishment of network codes*			
1. The Commission is empowered to adopt delegated acts in accordance with Article 63 concerning the establishment of network codes in the following areas:		1. The Commission is empowered to adopt **[ ] implementing acts** in accordance with Article **[ ] 62(2) in order to ensure uniform conditions for the implementation of this Regulation by** establish**ing [ ]** network codes in the following areas:	
(a) network security and reliability rules including rules for technical transmission reserve capacity for operational network security;		(a) network security and reliability rules including rules for technical transmission reserve capacity for operational network security **including system states, remedial actions and operational security limits, voltage control and reactive power management, short-circuit current management, power flow management, contingency analysis and handling, protection equipment and schemes, data exchange, compliance, training, operational planning and security analysis, regional operational security coordination, outage coordination, availability plans of relevant assets, adequacy analysis, ancillary services, scheduling, and operational planning data environments**;	

(b) network connection rules;		(b) network connection rules **including connection of transmission-connected demand facilities, transmission-connected distribution facilities and distribution systems, connection of demand units used to provide demand response, requirements for grid connection of generators, requirements for high-voltage direct current grid connection, requirements for direct current-connected power park modules and remote-end high-voltage direct current converter stations, and operational notification procedures for grid connection**;	
(c) third-party access rules;		(c) third-party access rules;	
(d) data exchange and settlement rules;		(d) data exchange and settlement rules;	
(e) interoperability rules;		(e) interoperability rules;	
(f) operational procedures in an emergency;		(f) operational procedures in an emergency **including system defence plans, restoration plans, market interactions, information exchange and communication and tools and facilities**;	

(g) capacity-allocation and congestion-management rules including curtailment of generation and redispatch of generation and demand;		(g) capacity-allocation and congestion-management rules **[ ] including day ahead, intraday and forward capacity calculation methodologies and processes, grid models, bidding zone configuration, redispatching and countertrading, trading algorithms, single day-ahead and intraday coupling, firmness of allocated cross-zonal capacity, congestion income distribution, cross-zonal transmission risk hedging, nomination procedures, and capacity allocation and congestion management cost recovery** ;	
(h) rules for trading related to technical and operational provision of network access services and system balancing;		(h) rules for trading related to technical and operational provision of network access services and system balancing **including functions and responsibilities, platforms for the exchange of balancing energy, gate closure times, requirements for standard and specific products, procurement of balancing services, allocation of cross-zonal capacity for the exchange of balancing services or sharing of reserves, settlement of balancing energy, settlement of exchanges of energy between system operators, imbalance settlement and settlement of balancing capacity**;	

(i) transparency rules;		(i) transparency rules;	
(j) balancing rules including network-related reserve power rules;		(j) balancing rules including network-related reserve power rules **including load frequency control, frequency quality defining and target parameters, frequency containment reserves, frequency restoration reserves, replacement reserves, exchange and sharing of reserves, cross-border activation processes of reserves, time-control processes and transparency of information**;	
(k) rules regarding harmonised transmission and distribution tariff structures and connection charges including locational signals and inter-transmission system operator compensation rules;	**AM 179** ***deleted***	(k) rules regarding harmonised transmission **[ ]** tariff structures **[as referred to in Article 16] [ ]** including locational signals and inter-transmission system operator compensation rules; energy efficiency regarding electricity networks;	
(l) energy efficiency regarding electricity networks;		**[ ]**	
(m) rules for non-discriminatory, transparent provision of non-frequency ancillary services, including steady state voltage control, inertia, fast reactive current injection, black-start capability;		(m) rules for non-discriminatory, transparent provision of non-frequency ancillary services, including steady state voltage control, inertia, fast reactive current injection, **inertia for grid stability, short circuit current,** black-start capability **and island operation capability**;	
(n) demand response, including aggregation, energy storage, and demand curtailment rules;		**[ ]**	

(o) cyber security rules; and		(o) **sector-specific rules for** cyber security **[ ] aspects of cross-border electricity flows, on common minimum requirements, planning, monitoring, reporting and crisis management;**	
(p) rules concerning regional operational centres.	**AM 180** ***deleted***	**[ ]**	
2. The Commission shall, after consulting the Agency, the ENTSO for Electricity and the other relevant stakeholders, establish a priority list every three years, identifying the areas set out in paragraph 1 to be included in the development of network codes. If the subject-matter of the network code is directly related to the operation of the distribution system and less relevant for the transmission system, the Commission may require the EU DSO entity for electricity instead of the ENTSO for Electricity to convene a drafting committee and submit a proposal for a network code to the agency.	**AM 181** 2. The Commission shall, after consulting the Agency, the ENTSO ***for Electricity, the EU DSO entity*** for electricity and the other relevant stakeholders, establish a priority list every three years, identifying the areas set out in paragraph 1 to be included in the development of network codes. If the subject-matter of the network code is directly related to the operation of the distribution system and less relevant for the transmission system, the Commission may require the EU DSO entity for electricity instead of the ENTSO for Electricity to convene a drafting committee and submit a proposal for a network code to the agency.	2. The Commission shall, after consulting the Agency, the ENTSO for Electricity, **the EU DSO Entity** and the other relevant stakeholders, establish a priority list every three years, identifying the areas set out in paragraph 1 to be included in the development of network codes. If the subject-matter of the network code is directly related to the operation of the distribution system and **[ ] not primarily** relevant for the transmission, the Commission may require the EU DSO entity **in cooperation with [ ]** the ENTSO for Electricity to convene a drafting committee and submit a proposal for a network code to the agency.	

3. The Commission shall request the Agency to submit to it within a reasonable period of time not exceeding six months a non-binding framework guideline (framework guideline) setting out clear and objective principles for the development of network codes relating to the areas identified in the priority list. The request of the Commission may include conditions which the framework guideline shall address. Each framework guideline shall contribute to market integration, non-discrimination, effective competition, and the efficient functioning of the market. Upon a reasoned request from the Agency, the Commission may extend that period.		3. The Commission shall request the Agency to submit to it within a reasonable period of time not exceeding six months a non-binding framework guideline (framework guideline) setting out clear and objective principles for the development of network codes relating to the areas identified in the priority list. The request of the Commission may include conditions which the framework guideline shall address. Each framework guideline shall contribute to market integration, non-discrimination, effective competition, and the efficient functioning of the market. Upon a reasoned request from the Agency, the Commission may extend that period.	
4. The Agency shall formally consult the ENTSO for Electricity, the EU DSO entity, and the other relevant stakeholders in regard to the framework guideline, during a period of no less than two months, in an open and transparent manner.		4. The Agency shall formally consult the ENTSO for Electricity , the EU DSO entity, and the other relevant stakeholders in regard to the framework guideline, during a period of no less than two months, in an open and transparent manner.	
5. The Agency shall submit a non-binding framework guideline to the Commission where requested to do so under paragraph 3. The Agency shall review the non-binding framework guideline and re-submit it to the Commission where requested to do so under paragraph 6.		5. The Agency shall submit a non-binding framework guideline to the Commission where requested to do so under paragraph 3. The Agency shall review the non-binding framework guideline and re-submit it to the Commission where requested to do so under paragraph 6.	

6. If the Commission considers that the framework guideline does not contribute to market integration, non-discrimination, effective competition and the efficient functioning of the market, it may request the Agency to review the framework guideline within a reasonable period of time and re-submit it to the Commission.		6. If the Commission considers that the framework guideline does not contribute to market integration, non-discrimination, effective competition and the efficient functioning of the market, it may request the Agency to review the framework guideline within a reasonable period of time and re-submit it to the Commission.	
7. If the Agency fails to submit or re-submit a framework guideline within the period set by the Commission under paragraphs 3 or 6, the Commission shall elaborate the framework guideline in question.		7. If the Agency fails to submit or re-submit a framework guideline within the period set by the Commission under paragraphs 3 or 6, the Commission shall elaborate the framework guideline in question.	
8. The Commission shall request the ENTSO for Electricity or, where so decided in the priority list pursuant to paragraph 2, the EU DSO entity for Electricity, to submit a proposal for a network code which is in line with the relevant framework guideline, to the Agency within a reasonable period of time not exceeding 12 months.		8. The Commission shall request the ENTSO for Electricity or, where so decided in the priority list pursuant to paragraph 2, the EU DSO entity **[ ] in co-operation with the ENTSO for Electricity**, to submit a proposal for a network code which is in line with the relevant framework guideline, to the Agency within a reasonable period of time not exceeding 12 months.	
9. The ENTSO for Electricity, or where so decided in the priority list pursuant to paragraph 2, the EU DSO entity, shall convene a drafting committee to support it in the network code development process. The drafting committee shall consist of representatives of the ENTSO for Electricity, the Agency, the EU DSO		9. The ENTSO for Electricity, or where so decided in the priority list pursuant to paragraph 2, the EU DSO entity, shall convene a drafting committee to support it in the network code development process. The drafting committee shall consist of representatives of the ENTSO for Electricity, the Agency, **where**	

entity, where appropriate of nominated electricity market operators and a limited number of the main affected stakeholders.The ENTSO for Electricityor where so decided in the priority list pursuant to paragraph 2 the EU DSO entity,shall elaborate proposals for network codes in the areas referred to in ~~paragraph~~ ~~Article~~ paragraph 1 upon a request addressed to it by the Commission in accordance with paragraph 8.		**appropriate of** the EU DSO entity, where appropriate of nominated electricity market operators and a limited number of the main affected stakeholders. The ENTSO for Electricity or where so decided in the priority list pursuant to paragraph 2 the EU DSO entity, **in co-operation with the ENTSO for Electricity** shall elaborate proposals for network codes in the areas referred to in paragraph 1 upon a request addressed to it by the Commission in accordance with paragraph 8.	
10. The Agency shall revise the network code and ensure ~~is satisfied~~ that the network code is in line with the relevant framework guideline and contributes to market integration, non-discrimination, effective competition, and the efficient functioning of the market and, ~~the Agency shall~~ submit the revised network code to the Commission within six months of the day of the receipt of the proposal . In the proposal submitted to the Commission, the Agency shall take into account the views provided by all involved parties during the drafting of the proposal led by the ENTSO for Electricity or the EU DSO entity and shall formally consult the relevant stakeholders on the version to be submitted to the Commission.		10. The Agency shall revise the network code and ensure that the network code is in line with the relevant framework guideline and contributes to market integration, non-discrimination, effective competition, and the efficient functioning of the market and submit the revised network code to the Commission within six months of the day of the receipt of the proposal . In the proposal submitted to the Commission, the Agency shall take into account the views provided by all involved parties during the drafting of the proposal led by the ENTSO for Electricity or the EU DSO entity and shall formally consult the relevant stakeholders on the version to be submitted to the Commission.	

11. Where the ENTSO for Electricity or the EU DSO entity have failed to develop a network code within the period of time set by the Commission under paragraph 8, the Commission may request the Agency to prepare a draft network code on the basis of the relevant framework guideline. The Agency may launch a further consultation in the course of preparing a draft network code under this paragraph. The Agency shall submit a draft network code prepared under this paragraph to the Commission and may recommend that it be adopted.		11. Where the ENTSO for Electricity or the EU DSO entity have failed to develop a network code within the period of time set by the Commission under paragraph 8, the Commission may request the Agency to prepare a draft network code on the basis of the relevant framework guideline. The Agency may launch a further consultation in the course of preparing a draft network code under this paragraph. The Agency shall submit a draft network code prepared under this paragraph to the Commission and may recommend that it be adopted.	
12. The Commission may adopt, on its own initiative, where the ENTSO for Electricity or the EU DSO entity have failed to develop a network code, or the Agency has failed to develop a draft network code as referred to in paragraph 11 of this Article, or upon recommendation of the Agency under paragraph 10 of this Article, one or more network codes in the areas listed in paragraph 1.		12. The Commission may adopt, on its own initiative, where the ENTSO for Electricity or the EU DSO entity have failed to develop a network code, or the Agency has failed to develop a draft network code as referred to in paragraph 11 of this Article, or upon recommendation of the Agency under paragraph 10 of this Article, one or more network codes in the areas listed in paragraph 1.	
13. Where the Commission proposes to adopt a network code on its own initiative, the Commission shall consult the Agency, the ENTSO for Electricity and all relevant stakeholders in regard to the draft network code during a period of no less than two months.		13. Where the Commission proposes to adopt a network code on its own initiative, the Commission shall consult the Agency, the ENTSO for Electricity and all relevant stakeholders in regard to the draft network code during a period of no less than two months.	

14. This Article shall be without prejudice to the Commission's right to adopt and amend the guidelines as laid down in Article 57. It shall be without prejudice to the possibility for the ENTSO for Electricity to develop non-binding guidance in the areas set out in paragraph 1 where this does not relate to areas covered by a request addressed to it by the Commission. This guidance shall be submitted to the Agency for an opinion. This opinion shall be taken duly into account by the ENTSO for Electricity.		14. This Article shall be without prejudice to the Commission's right to adopt and amend the guidelines as laid down in Article 57. It shall be without prejudice to the possibility for the ENTSO for Electricity to develop non-binding guidance in the areas set out in paragraph 1 where this does not relate to areas covered by a request addressed to it by the Commission. This guidance shall be submitted to the Agency for an opinion. This opinion shall be taken duly into account by the ENTSO for Electricity.	
Article 56 *Amendments of network codes*			
1. The Commission is empowered to adopt delegated acts in accordance with Article 63 concerning the amendment of network codes following the procedure under Article 55. Amendments can also be proposed by the Agency under the procedure set out in paragraphs 2 to 4 of this Article.		1. **Until 31 December 2025** the Commission is empowered to adopt **[ ] implementing acts** in accordance with Article **[ ] 62(2)** concerning the amendment of network codes **within the areas listed in Article 55(1) and** following the procedure under Article 55. **[ ]**	

2. Draft amendments to any network code adopted under Article 55 may be proposed to the Agency by persons who are likely to have an interest in that network code, including the ENTSO for Electricity, the EU DSO entity, transmission system operators, system users and consumers. The Agency may also propose amendments on its own initiative.	**AM 182** 2. Draft amendments to any network code adopted under Article 55 may be proposed to the Agency by persons who are likely to have an interest in that network code, including the ENTSO for Electricity, the EU DSO entity, transmission ***and distribution*** system operators, system users and consumers. The Agency may also propose amendments on its own initiative.	2. Draft amendments to any network code adopted under Article 55 may be proposed to the Agency by persons who are likely to have an interest in that network code, including the ENTSO for Electricity, the EU DSO entity, **regulatory authorities distribution and** transmission system operators, system users and consumers. The Agency may also propose amendments on its own initiative**.**	
3. The Agency may make reasoned proposals for amendments to the Commission, explaining how such proposals are consistent with the objectives of the network codes set out in Article 55(2). Where it deems an amendment proposal admissible and on amendments on its own initiative, the Agency shall consult all stakeholders in accordance with Article 15 [recast of Regulation (EC) No 713/2009 as proposed by COM(2016) 863/2].		3. The Agency may make reasoned proposals for amendments to the Commission explaining how such proposals are consistent with the objectives of the network codes set out in Article 55(2). Where it deems an amendment proposal admissible and on amendments on its own initiative, the Agency shall consult all stakeholders in accordance with Article 15 [recast of Regulation (EC) No 713/2009 as proposed by COM(2016) 863/2].	
4. The Commission is empowered to adopt, taking account of the Agency's proposals, amendments to any network code adopted under Article 55 6 as delegated acts in accordance with Article 63.		4. **Until 31 December 2025** the Commission is empowered to adopt, taking account of the Agency's proposals, amendments to any network code adopted under Article 55 as **[ ] implementing acts** in accordance with Article **[ ] 62(2)**.	

5. Consideration of proposed amendments under the procedure set out in Article 63 shall be limited to consideration of the aspects related to the proposed amendment. Those proposed amendments are without prejudice to other amendments which the Commission may propose.		[ ]	
	AM 183 **Article 56 a (new)** ***Article 56 a*** ***By 31 December 2022 the Commission shall assess the existing implementing acts containing network codes and guidelines in order to evaluate which of their elements could be usefully enshrined in legislative acts of the Union concerning the internal electricity market. The Commission shall submit a detailed report of its assessment to the European Parliament and to the Council. That report shall be accompanied, where appropriate, by legislative proposals following up on the Commission's assessment.***		

Article 57 *Guidelines*			
1. The Commission may adopt binding guidelines in the areas listed below.		1. **Until 31 December 2025** the Commission may adopt binding guidelines by in the areas listed below. **Those guidelines shall be adopted as implementing acts in accordance with the examination procedure referred to in Article 62(2).**	
2. The Commission may adopt a delegated act as a Guideline in the areas where such acts could also be developed under the network code procedure pursuant to Article 55 (1).		2. **Until 31 December 2025** the Commission may adopt **[ ] implementing acts as** a Guideline in the areas where such acts could also be developed under the network code procedure pursuant to Article 55 (1).	
3. Guidelines may be adopted relating to the inter-transmission system operator compensation mechanism. They shall specify, in accordance with the principles set out in Articles 46 and 16:		3. Guidelines may be adopted relating to the inter-transmission system operator compensation mechanism. They shall specify, in accordance with the principles set out in Articles 46 and 16:	
(a) details of the procedure for determining which transmission system operators are liable to pay compensation for cross-border flows including as regards the split between the operators of national transmission systems from which cross-border flows originate and the systems where those flows end, in accordance with Article 46(2);		(a) details of the procedure for determining which transmission system operators are liable to pay compensation for cross-border flows including as regards the split between the operators of national transmission systems from which cross-border flows originate and the systems where those flows end, in accordance with Article 46(2);	

(b) details of the payment procedure to be followed, including the determination of the first period for which compensation is to be paid, in accordance with the second subparagraph of Article 46(3);		(b) details of the payment procedure to be followed, including the determination of the first period for which compensation is to be paid, in accordance with the second subparagraph of Article 46(3);	
(c) details of methodologies for determining the cross-border flows hosted for which compensation is to be paid under Article 46, in terms of both quantity and type of flows, and the designation of the magnitudes of such flows as originating and/or ending in transmission systems of individual Member States, in accordance with Article 46(5);		(c) details of methodologies for determining the cross-border flows hosted for which compensation is to be paid under Article 46, in terms of both quantity and type of flows, and the designation of the magnitudes of such flows as originating and/or ending in transmission systems of individual Member States, in accordance with Article 46(5);	
(d) details of the methodology for determining the costs and benefits incurred as a result of hosting cross-border flows, in accordance with Article 46(6);		(d) details of the methodology for determining the costs and benefits incurred as a result of hosting cross-border flows, in accordance with Article 46(6);	
(e) details of the treatment in the context of the inter-transmission system operator compensation mechanism of electricity flows originating or ending in countries outside the European Economic Area; and		(e) details of the treatment in the context of the inter-transmission system operator compensation mechanism of electricity flows originating or ending in countries outside the European Economic Area; and	
(f) the participation of national systems which are interconnected through direct current lines, in accordance with Article 46.		(f) the participation of national systems which are interconnected through direct current lines, in accordance with Article 46.	

4. Guidelines may also determine appropriate rules relating to charges applied to producers, energy storage and customers (load) under national distribution and transmission tariff systems and connection regimes, including the reflection of the inter-transmission system operator compensation mechanism in national network charges and the provision of appropriate and efficient locational signals, in accordance with the principles set out in Article 16.		4. Guidelines may also determine appropriate rules relating to charges applied to producers, energy storage and customers (load) under national **[ ]** transmission tariff systems **[ ]**, including the reflection of the inter-transmission system operator compensation mechanism in national network charges and the provision of appropriate and efficient locational signals, in accordance with the principles set out in Article 16.	
The guidelines may make provision for appropriate and efficient harmonised locational signals at Union level.		The guidelines may make provision for appropriate and efficient harmonised locational signals at Union level.	
Any such harmonisation shall not prevent Member States from applying mechanisms to ensure that network access charges borne by customers (load) are comparable throughout their territory.		Any such harmonisation shall not prevent Member States from applying mechanisms to ensure that network access charges borne by customers (load) are comparable throughout their territory.	
5. Where appropriate, guidelines providing the minimum degree of harmonisation required to achieve the aim of this Regulation may also specify:		5. Where appropriate, guidelines providing the minimum degree of harmonisation required to achieve the aim of this Regulation may also specify:	
(a) details of rules for the trading of electricity;		(a) details of rules for the trading of electricity;(b) details of investment incentive rules for interconnector capacity including locational signals;	
(b) details of investment incentive rules for interconnector capacity including locational signals;		(b) details of investment incentive rules for interconnector capacity including locational signals;	

6. The Commission may adopt guidelines on the implementation of operational coordination between transmission system operators at Union level. Those guidelines shall be consistent with and build upon the network codes referred to in Article 55 of this Regulation and build upon the adopted specifications referred to in Article 27(1)(g) of this Regulation. When adopting those guidelines, the Commission shall take into account differing regional and national operational requirements.		6. The Commission may adopt guidelines on the implementation of operational coordination between transmission system operators at Union level. Those guidelines shall be consistent with and build upon the network codes referred to in Article 55 of this Regulation and build upon the adopted specifications referred to in Article 27(1)(g) of this Regulation. When adopting those guidelines, the Commission shall take into account differing regional and national operational requirements.	
Those guidelines shall be adopted in accordance with the examination procedure referred to in Article 62(2).		[Those guidelines shall be adopted in accordance with the examination procedure referred to in Article 62(2).]	
7. When adopting or amending guidelines, the Commission shall consult the Agency, the ENTSO for Electricity and other stakeholders where relevant.	**AM 184** 7. When adopting or amending guidelines, the Commission shall consult the Agency, the ENTSO for Electricity***, the EU DSO entity*** and other stakeholders where relevant.	7. When adopting or amending guidelines, the Commission shall consult the Agency, the ENTSO for Electricity**, the EU DSO Entity** and other stakeholders where relevant.	

Article 58 *Right of Member States to provide for more detailed measures*			
This Regulation shall be without prejudice to the rights of Member States to maintain or introduce measures that contain more detailed provisions than those set out in this Regulation, in the guidelines referred to in Article 57 or in the network codes referred to in Article 55, provided those measures do not endanger the effectiveness of Union legislation.		This Regulation shall be without prejudice to the rights of Member States to maintain or introduce measures that contain more detailed provisions than those set out in this Regulation, in the guidelines referred to in Article 57 or in the network codes referred to in Article 55, provided those measures do not **[ ] contradict** of Union legislation.	
		Article 58a **By 31 December 2023 the Commission shall assess the existing implementing acts containing network codes and guidelines in order to evaluate which of their elements could be usefully enshrined in legislative acts of the Union concerning the internal electricity market and how the empowerments for network codes and guidelines pursuant to Articles 55 and 57 could be revised. The Commission shall submit a detailed report of its assessment to the European Parliament and the Council. That report shall be accompanied, where appropriate, by legislative proposals following up on the Commission's assessment.**	

Chapter VIII **Final provisions**			
Article 59 *New interconnectors*			
1. New direct current interconnectors may, upon request, be exempted, for a limited period of time, from the provisions of Article 17(2) of this Regulation and Articles 6, 43 59(6) and 60(1) of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2] under the following conditions:		1. New direct current interconnectors may, upon request, be exempted, for a limited period of time, from the provisions of Article 17(2) of this Regulation and Articles 6, 43, 59(6) and 60(1) of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2] under the following conditions:	
(a) the investment must enhance competition in electricity supply;		(a) the investment must enhance competition in electricity supply;	
(b) the level of risk attached to the investment is such that the investment would not take place unless an exemption is granted;		(b) the level of risk attached to the investment is such that the investment would not take place unless an exemption is granted;	
(c) the interconnector must be owned by a natural or legal person which is separate at least in terms of its legal form from the system operators in whose systems that interconnector will be built;		(c) the interconnector must be owned by a natural or legal person which is separate at least in terms of its legal form from the system operators in whose systems that interconnector will be built;	
(d) charges are levied on users of that interconnector;		(d) charges are levied on users of that interconnector;	

(e) since the partial market opening referred to in Article 19 of Directive 96/92/EC of the European Parliament and of the Council [25], no part of the capital or operating costs of the interconnector has been recovered from any component of charges made for the use of transmission or distribution systems linked by the interconnector; and		(e) since the partial market opening referred to in Article 19 of Directive 96/92/EC of the European Parliament and of the Council [26], no part of the capital or operating costs of the interconnector has been recovered from any component of charges made for the use of transmission or distribution systems linked by the interconnector; and	
(f) the exemption must not be to the detriment of competition or the effective functioning of the internal market in electricity, or the efficient functioning of the regulated system to which the interconnector is linked.		(f) the exemption must not be to the detriment of competition or the effective functioning of the internal market in electricity, or the efficient functioning of the regulated system to which the interconnector is linked.	
2. Paragraph 1 shall also apply, in exceptional cases, to alternating current interconnectors provided that the costs and risks of the investment in question are particularly high when compared with the costs and risks normally incurred when connecting two neighbouring national transmission systems by an alternating current interconnector.		2. Paragraph 1 shall also apply, in exceptional cases, to alternating current interconnectors provided that the costs and risks of the investment in question are particularly high when compared with the costs and risks normally incurred when connecting two neighbouring national transmission systems by an alternating current interconnector.	

[25] Directive 96/92/EC of the European Parliament and of the Council of 19 December 1996 concerning common rules for the internal market in electricity (OJ L 27, 30.1.1997, p. 20).

[26] Directive 96/92/EC of the European Parliament and of the Council of 19 December 1996 concerning common rules for the internal market in electricity (OJ L 27, 30.1.1997, p. 20).

3. Paragraph 1 shall also apply to significant increases of capacity in existing interconnectors.		3. Paragraph 1 shall also apply to significant increases of capacity in existing interconnectors.	
4. The decision on the exemption under paragraphs 1, 2 and 3 shall be taken on a case-by-case basis by the regulatory authorities of the Member States concerned. An exemption may cover all or part of the capacity of the new interconnector, or of the existing interconnector with significantly increased capacity.		4. The decision on the exemption under paragraphs 1, 2 and 3 shall be taken on a case-by-case basis by the regulatory authorities of the Member States concerned. An exemption may cover all or part of the capacity of the new interconnector, or of the existing interconnector with significantly increased capacity.	
Within two months from the date on which the request for exemption was received by the last of the regulatory authorities concerned, the Agency may submit an advisory opinion to those regulatory authorities which could provide a basis for their decision.		Within two months from the date on which the request for exemption was received by the last of the regulatory authorities concerned, the Agency may submit an advisory opinion to those regulatory authorities which could provide a basis for their decision.	
In deciding to grant an exemption, consideration shall be given, on a case-by-case basis, to the need to impose conditions regarding the duration of the exemption and non-discriminatory access to the interconnector. When deciding those conditions, account shall, in particular, be taken of additional capacity to be built or the modification of existing capacity, the time-frame of the project and national circumstances.		In deciding to grant an exemption, consideration shall be given, on a case-by-case basis, to the need to impose conditions regarding the duration of the exemption and non-discriminatory access to the interconnector. When deciding those conditions, account shall, in particular, be taken of additional capacity to be built or the modification of existing capacity, the time-frame of the project and national circumstances.	

Before granting an exemption, the regulatory authorities of the Member States concerned shall decide upon the rules and mechanisms for management and allocation of capacity. Congestion-management rules shall include the obligation to offer unused capacity on the market and users of the facility shall be entitled to trade their contracted capacities on the secondary market. In the assessment of the criteria referred to in points (a), (b) and (f) of paragraph 1, the results of the capacity-allocation procedure shall be taken into account.		Before granting an exemption, the regulatory authorities of the Member States concerned shall decide upon the rules and mechanisms for management and allocation of capacity. Congestion-management rules shall include the obligation to offer unused capacity on the market and users of the facility shall be entitled to trade their contracted capacities on the secondary market. In the assessment of the criteria referred to in points (a), (b) and (f) of paragraph 1, the results of the capacity-allocation procedure shall be taken into account.	
Where all the regulatory authorities concerned have reached agreement on the exemption decision within six months, they shall inform the Agency of that decision.		Where all the regulatory authorities concerned have reached agreement on the exemption decision within six months, they shall inform the Agency of that decision.	
The exemption decision, including any conditions referred to in the second subparagraph of this paragraph, shall be duly reasoned and published.		The exemption decision, including any conditions referred to in the second subparagraph of this paragraph, shall be duly reasoned and published.	
5. The decision referred to in paragraph 4 shall be taken by the Agency:		5. The decision referred to in paragraph 4 shall be taken by the Agency:	
(a) where all the regulatory authorities concerned have not been able to reach an agreement within six months from the date the exemption was requested before the last of those regulatory authorities; or		(a) where all the regulatory authorities concerned have not been able to reach an agreement within six months from the date the exemption was requested before the last of those regulatory authorities; or	

(b) upon a joint request from the regulatory authorities concerned. Before taking such a decision, the Agency shall consult the regulatory authorities concerned and the applicants.		(b) upon a joint request from the regulatory authorities concerned. Before taking such a decision, the Agency shall consult the regulatory authorities concerned and the applicants.	
6. Notwithstanding paragraphs 4 and 5, Member States may provide for the regulatory authority or the Agency, as the case may be, to submit, for formal decision, to the relevant body in the Member State, its opinion on the request for an exemption. That opinion shall be published together with the decision.		6. Notwithstanding paragraphs 4 and 5, Member States may provide for the regulatory authority or the Agency, as the case may be, to submit, for formal decision, to the relevant body in the Member State, its opinion on the request for an exemption. That opinion shall be published together with the decision.	
7. A copy of every request for exemption shall be transmitted for information without delay by the regulatory authorities to the Agency and to the Commission on receipt. The decision shall be notified, without delay, by the regulatory authorities concerned or by the Agency (notifying bodies), to the Commission, together with all the relevant information with respect to the decision. That information may be submitted to the Commission in aggregate form, enabling the Commission to reach a well-founded decision. In particular, the information shall contain:		7. A copy of every request for exemption shall be transmitted for information without delay by the regulatory authorities to the Agency and to the Commission on receipt. The decision shall be notified, without delay, by the regulatory authorities concerned or by the Agency (notifying bodies), to the Commission, together with all the relevant information with respect to the decision. That information may be submitted to the Commission in aggregate form, enabling the Commission to reach a well-founded decision. In particular, the information shall contain:	

(a) the detailed reasons on the basis of which the exemption was granted or refused, including the financial information justifying the need for the exemption;		(a) the detailed reasons on the basis of which the exemption was granted or refused, including the financial information justifying the need for the exemption;	
(b) the analysis undertaken of the effect on competition and the effective functioning of the internal market in electricity resulting from the grant of the exemption;		(b) the analysis undertaken of the effect on competition and the effective functioning of the internal market in electricity resulting from the grant of the exemption;	
(c) the reasons for the time period and the share of the total capacity of the interconnector in question for which the exemption is granted; and		(c) the reasons for the time period and the share of the total capacity of the interconnector in question for which the exemption is granted; and	
(d) the result of the consultation of the regulatory authorities concerned.		(d) the result of the consultation of the regulatory authorities concerned.	
8. Within a period of 50 working days from the day following receipt of notification under paragraph 7, the Commission may take a decision requesting the notifying bodies to amend or withdraw the decision to grant an exemption. That period of 50 working days may be extended by an additional period of 50 working days where further information is sought by the Commission. That additional period shall begin on the day following receipt of the complete information. The initial period may also be extended by consent of both the Commission and the notifying bodies.		8. Within a period of 50 working days from the day following receipt of notification under paragraph 7, the Commission may take a decision requesting the notifying bodies to amend or withdraw the decision to grant an exemption. That period of 50 working days may be extended by an additional period of 50 working days where further information is sought by the Commission. That additional period shall begin on the day following receipt of the complete information. The initial period may also be extended by consent of both the Commission and the notifying bodies.	

When the requested information is not provided within the period set out in the request, the notification shall be deemed to be withdrawn unless, before the expiry of that period, either the period is extended by consent of both the Commission and the notifying bodies, or the notifying bodies, in a duly reasoned statement, inform the Commission that they consider the notification to be complete.		When the requested information is not provided within the period set out in the request, the notification shall be deemed to be withdrawn unless, before the expiry of that period, either the period is extended by consent of both the Commission and the notifying bodies, or the notifying bodies, in a duly reasoned statement, inform the Commission that they consider the notification to be complete.	
The notifying bodies shall comply with a Commission decision to amend or withdraw the exemption decision within one month and shall inform the Commission accordingly.		The notifying bodies shall comply with a Commission decision to amend or withdraw the exemption decision within one month and shall inform the Commission accordingly.	
The Commission shall preserve the confidentiality of commercially sensitive information.		The Commission shall preserve the confidentiality of commercially sensitive information.	
The Commission's approval of an exemption decision shall expire two years after the date of its adoption in the event that construction of the interconnector has not yet started by that date, and five years after the date of its adoption if the interconnector has not become operational by that date, unless the Commission decides, on the basis of a reasoned request by the notifying bodies, that any delay is due to major obstacles beyond the control of the person to whom the exemption has been granted.		The Commission's approval of an exemption decision shall expire two years after the date of its adoption in the event that construction of the interconnector has not yet started by that date, and five years after the date of its adoption if the interconnector has not become operational by that date, unless the Commission decides, on the basis of a reasoned request by the notifying bodies, that any delay is due to major obstacles beyond the control of the person to whom the exemption has been granted.	

9. Where the regulatory authorities of the Member States concerned decide to modify a decision under paragraph 1, they shall notify this decision without delay to the Commission, together with all the relevant information with respect to the decision. Paragraphs 1 to 8 shall apply to this notified decision, taking into account the particularities of the existing exemption.		Where the regulatory authorities of the Member States concerned decide to modify a decision under paragraph 1, they shall notify this decision without delay to the Commission, together with all the relevant information with respect to the decision. Paragraphs 1 to 8 shall apply to this notified decision, taking into account the particularities of the existing exemption.	
10. The Commission may, upon request or on its own initiative, reopen the proceedings:		The Commission may, upon request or on its own initiative, reopen the proceedings:	
(a) where, taking due consideration of legitimate expectations by the parties and of the economic balance achieved in the original exemption decision, there has been a material change in any of the facts on which the decision was based;		(a) where, taking due consideration of legitimate expectations by the parties and of the economic balance achieved in the original exemption decision, there has been a material change in any of the facts on which the decision was based;	
(b) where the undertakings concerned act contrary to their commitments; or		(b) where the undertakings concerned act contrary to their commitments; or	
(c) where the decision was based on incomplete, incorrect or misleading information provided by the parties.		(c) where the decision was based on incomplete, incorrect or misleading information provided by the parties.	

11. The Commission is empowered to adopt delegated acts in accordance with Article 63 concerning the adoption of guidelines for the application of the conditions laid down in paragraph 1 of this Article and to set out the procedure to be followed for the application of paragraphs 4, 7 8, 9 and 10 of this Article.		11. The Commission is empowered to adopt delegated acts in accordance with Article 63 concerning the adoption of guidelines for the application of the conditions laid down in paragraph 1 of this Article and to set out the procedure to be followed for the application of paragraphs 4, 7, 8, 9 and 10 of this Article.	
		Article 59a **Derogations**	
		1. Member States may apply for derogations from the relevant provisions of Articles 3, 5, 6 (1), 7 (1) and (4), 8 to 10, 13 to 15, 17 to 22, 23 (1), (2), (4) (5) and (5a), 24, 32 to 44 and 48 in the following cases:	
		(a) the Member State can demonstrate that there are substantial problems for the operation of their small isolated and connected systems. In this case, the derogation shall be limited in time and subject to conditions aiming at increased competition and integration with the internal market.	
		(b) for outermost regions within the meaning of Article 349 of TFEU, that cannot be interconnected with the European energy market for evident physical reasons. In this case, the derogation is not limited in time.	

		In both cases, the derogation shall be subject to conditions aimed at ensuring that the derogation does not hamper the transition towards renewable energies.	
		When granting a derogation, the Commission shall reflect in its decision to which extent the derogations must take into account the application of the network codes and guidelines.	
		If a derogation is granted, the Commission shall inform the Member States of those applications before taking a decision, taking into account respect for confidentiality.	
		2. Articles 3, 4, 5, 6 (1), (2)(c), (2)(h), 7 to 10, 12 to 15, 17 to 22, 23 (1), (2), (5) and (5a), 23(4)(b), 24, 31(2), (3), 32 to 44, 46 and 48 shall not apply to Cyprus until its transmission system becomes connected to other Member States' transmission systems via interconnections.	
		If the transmission system of Cyprus is not connected to other Member States' transmission systems via interconnections by 1 January 2026, Cyprus shall assess the need for derogation from those provisions and may submit a request for continued derogation to the Commission. The Commission shall assess whether the application	

		of the respective provisions risks causing substantial problems for the operation of the electricity system in Cyprus or whether their application in Cyprus is expected to provide benefits to market functioning. On the basis of this assessment, the Commission shall issue a reasoned decision on full or partial prolongation of the derogation which shall be published in the Official Journal of the European Union.	
		3. The provisions of the Regulation shall not affect the application of the derogations pursuant to the [Electricity Directive].	
Article 60 *Provision of information and confidentiality*			
1. Member States and the regulatory authorities shall, on request, provide to the Commission all information necessary for the purposes of enforcing the provisions of this Regulation .		1. Member States and the regulatory authorities shall, on request, provide to the Commission all information necessary for the purposes of enforcing the provisions of this Regulation.	
The Commission shall fix a reasonable time limit within which the information is to be provided, taking into account the complexity of the information required and the urgency with which the information is needed.		The Commission shall fix a reasonable time limit within which the information is to be provided, taking into account the complexity of the information required and the urgency with which the information is needed.	

2. If the Member State or the regulatory authority concerned does not provide the information referred to in paragraph 1 within the given time-limit pursuant to paragraph 1 , the Commission may request all information necessary for the purpose of enforcing the provisions of this Regulation directly from the undertakings concerned.		2. If the Member State or the regulatory authority concerned does not provide the information referred to in paragraph 1 within the given time-limit pursuant to paragraph 1, the Commission may request all information necessary for the purpose of enforcing the provisions of this Regulation directly from the undertakings concerned.	
When sending a request for information to an undertaking, the Commission shall at the same time forward a copy of the request to the regulatory authorities of the Member State in whose territory the seat of the undertaking is situated.		When sending a request for information to an undertaking, the Commission shall at the same time forward a copy of the request to the regulatory authorities of the Member State in whose territory the seat of the undertaking is situated.	
3. In its request for information under paragraph 1, the Commission shall state the legal basis of the request, the time-limit within which the information is to be provided, the purpose of the request, and the penalties provided for in Article 61(2) for supplying incorrect, incomplete or misleading information. The Commission shall fix a reasonable time-limit taking into account the complexity of the information required and the urgency with which the information is needed.		3. In its request for information under paragraph 1, the Commission shall state the legal basis of the request, the time-limit within which the information is to be provided, the purpose of the request, and the penalties provided for in Article 61(2) for supplying incorrect, incomplete or misleading information. The Commission shall fix a reasonable time-limit taking into account the complexity of the information required and the urgency with which the information is needed.	

4. The owners of the undertakings or their representatives and, in the case of legal persons, the persons authorised to represent them by law or by their instrument of incorporation, shall supply the information requested. Where lawyers duly authorised so to act supply the information on behalf of their clients, the client shall remain fully responsible in the event that the information supplied is incomplete, incorrect or misleading.		4. The owners of the undertakings or their representatives and, in the case of legal persons, the persons authorised to represent them by law or by their instrument of incorporation, shall supply the information requested. Where lawyers duly authorised so to act supply the information on behalf of their clients, the client shall remain fully responsible in the event that the information supplied is incomplete, incorrect or misleading.	
5. Where an undertaking does not provide the information requested within the time-limit fixed by the Commission or supplies incomplete information, the Commission may by decision require the information to be provided. That decision shall specify what information is required and fix an appropriate time-limit within which it is to be supplied. It shall indicate the penalties provided for in Article 61(2). It shall also indicate the right to have the decision reviewed by the Court of Justice of the European Union .		5. Where an undertaking does not provide the information requested within the time-limit fixed by the Commission or supplies incomplete information, the Commission may by decision require the information to be provided. That decision shall specify what information is required and fix an appropriate time-limit within which it is to be supplied. It shall indicate the penalties provided for in Article 61(2). It shall also indicate the right to have the decision reviewed by the Court of Justice of the European Union.	
The Commission shall, at the same time, send a copy of its decision to the regulatory authorities of the Member State within the territory of which the person is resident or the seat of the undertaking is situated.		The Commission shall, at the same time, send a copy of its decision to the regulatory authorities of the Member State within the territory of which the person is resident or the seat of the undertaking is situated.	

6. The information referred to in paragraphs 1 and 2 shall be used only for the purposes of enforcing the provisions of this Regulation.		6. The information referred to in paragraphs 1 and 2 shall be used only for the purposes of enforcing the provisions of this Regulation.	
The Commission shall not disclose information of the kind covered by the obligation of professional secrecy which is acquired pursuant to this Regulation.		The Commission shall not disclose information of the kind covered by the obligation of professional secrecy which is acquired pursuant to this Regulation.	
Article 61 *Penalties*			
1. Without prejudice to paragraph 2, the Member States shall lay down rules on penalties applicable to infringements of the provisions of this Regulation, the network codes adopted pursuant to Article 55, and the guidelines adopted pursuant to Article 57 and shall take all measures necessary to ensure that those provisions are implemented. The penalties provided for must be effective, proportionate and dissuasive.		1. Without prejudice to paragraph 2, the Member States shall lay down rules on penalties applicable to infringements of the provisions of this Regulation, the network codes adopted pursuant to Article 55, and the guidelines adopted pursuant to Article 57 and shall take all measures necessary to ensure that those provisions are implemented. The penalties provided for must be effective, proportionate and dissuasive.	
2. The Commission may, by decision, impose on undertakings fines not exceeding 1 % of the total turnover in the preceding business year where, intentionally or negligently, they supply incorrect, incomplete or misleading information in response to a request made pursuant to Article 60(3) or fail to supply information within the time-limit fixed by a decision adopted		2. The Commission may, by decision, impose on undertakings fines not exceeding 1 % of the total turnover in the preceding business year where, intentionally or negligently, they supply incorrect, incomplete or misleading information in response to a request made pursuant to Article 60(3) or fail to supply information within the time-limit fixed by a decision adopted	

pursuant to the first subparagraph of Article 60(5). In setting the amount of a fine, the Commission shall have regard to the gravity of the failure to comply with the requirements of the first subparagraph.		pursuant to the first subparagraph of Article 60(5). In setting the amount of a fine, the Commission shall have regard to the gravity of the failure to comply with the requirements of the first subparagraph.	
3. Penalties provided for pursuant to paragraph 1 and decisions taken pursuant to paragraph 2 shall not be of a criminal law nature.		3. Penalties provided for pursuant to paragraph 1 and decisions taken pursuant to paragraph 2 shall not be of a criminal law nature.	
Article 62 *Committee procedure*			
1. The Commission shall be assisted by the committee set up by Article 68 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2].		1. The Commission shall be assisted by the committee set up by Article 68 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2].	
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 of the European Parliament and of the Council[27] shall apply.		2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 of the European Parliament and of the Council[28] shall apply.	

[27] Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

[28] Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

Article 63 *Exercise of the delegation*			
1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.		1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.	
2. The power to adopt delegated acts referred to in Article 31(3), Article 46(4), Article 55(1), Article 56(1) and (4), and Article 59(11) shall be conferred on the Commission for an undetermined period of time from the [OP: please insert the date of entry into force].		2. The power to adopt delegated acts referred to in Article **[ ]** 46(4), **[ ]** and Article 59(11) shall be conferred on the Commission for an undetermined period of time from the [OP: *please insert the date of entry into force*].	
3. The delegation of power referred to in Article 31(3), Article 46(4), Article 55(1), Article 56(1) and (4), and Article 59(11) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect on the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated act already in force.		3. The delegation of power referred to in **[ ]** Article 46(4), **[ ]** and Article 59(11) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect on the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any [delegated] act already in force.	

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.		4. Before adopting a delegated act, the Commission shall consult **Electricity Cross-border Committee and** experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.	
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.		5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.	
6. A delegated act adopted pursuant to Article 31(3), Article 46(4), Article 55(1), Article 56(1) and (4), and Article 59(11) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.		6. A delegated act adopted pursuant to **[ ]** Article 46(4), **[ ]** and Article 59(11) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.	

Article 64 *Repeal*			
Regulation (EC) No 714/2009 is repealed. References to the repealed Regulation shall be construed as references to this Regulation and shall be read in accordance with the correlation table in Annex II.		1. Regulation (EC) No 714/2009 is repealed. References to the repealed Regulation shall be construed as references to this Regulation and shall be read in accordance with the correlation table in Annex II.	
		1a. Any implementing act adopted on the basis of Regulation 714/2009 shall continue to apply beyond the date of repeal of Regulation 714/2009 until it is repealed.	
	AM 185 **Article 64 a (new)** ***Article 64 a*** ***Review*** ***By 1 June 2025, the Commission shall review and submit a report on the implementation of this Regulation, together with a legislative proposal if appropriate, to the European Parliament and to the Council.***		

Article 65 *Entry into force*			
This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union.* It shall apply from 1 January 2020. This Regulation shall be binding in its entirety and directly applicable in all Member States. Done at Brussels, *For the European Parliament* *The President* *For the Council* *The President*		This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. It shall apply from 1 January 2020. **Articles 13 and 58a of this Regulation shall apply with effect from the date of entry into force of this Regulation.** **For the purpose of implementing Article 13, Article 14 of this Regulation shall apply with effect from the date of entry into force of this Regulation.** **For the purpose of reviewing this Regulation no later than by the end of 2030, the Commission shall, where appropriate, submit a proposal.** This Regulation shall be binding in its entirety and directly applicable in all Member States. Done at Brussels, *For the European Parliament* *The President* *For the Council* *The President*	

ANNEX I AM 186			
FUNCTIONS OF REGIONAL OPERATIONAL CENTRES	FUNCTIONS OF REGIONAL ***COORDINATION*** CENTRES	**[ ] TASKS OF REGIONAL [ ]SECURITY COORDINATORS**	
1. Coordinated capacity calculation	1. Coordinated capacity calculation	**1. Coordinated capacity calculation**	
1.1. Regional operational centres shall perform coordinated calculation of cross zonal capacities.	1.1. Regional ***coordination*** centres shall perform coordinated calculation of cross zonal capacities.	1.1 Regional **[ ] security coordinators** shall perform **the** coordinated calculation of cross zonal capacities.	
1.2. Coordinated capacity calculation shall be performed in due time for each market timeframe and as frequently as needed during the intraday timeframe.		**[ ]** Coordinated capacity calculation shall be performed **[ ]** for **[ ] the day-ahead and intraday timeframes**.	
		1.2a Coordinated capacity calculation shall be performed on the basis of the methodologies developed pursuant to Articles 21, 26, 29 and 30 of [Commission Regulation 2015/1222 establishing a guideline on capacity allocation and congestion management].	
1.3. Coordinated capacity calculation shall be performed based on a common system model in accordance with point 2 and on a coordinated capacity calculation methodology developed by the transmission system operators of the relevant system operation region.		1.3 Coordinated capacity calculation shall be performed based on a common **[ ] grid** model in accordance with point **3 [ ].**	

1.4. Coordinated capacity calculation shall ensure efficient congestion management in accordance with the principles of congestion management defined in this Regulation.		1.4 Coordinated capacity calculation shall ensure **an** efficient congestion management in accordance with the principles of congestion management defined in this Regulation.	
2. Coordinated security analysis		**2. Coordinated security analysis**	
2.1. Regional operational centres shall perform coordinated security analysis aiming at ensuring secure system operation.	2.1. Regional ***coordination*** centres shall perform coordinated security analysis aiming at ensuring secure system operation.	2.1. Regional **[ ] security coordinators** shall perform coordinated security analysis aiming at ensuring secure system operation.	
2.2. Security analysis shall be performed for all operational planning timeframes using the common system models.		2.2 Security analysis shall be performed for all operational planning timeframes, **between the year-ahead and intraday timeframes,** using the common **[ ] grid** models.	
		2.2a Coordinated security analysis shall be performed on the basis of the methodologies developed pursuant to Articles 75 and 76 of Commission Regulation 2017/1485 establishing a guideline on electricity transmission system operation.	
2.3. Regional operational centres shall share the results of the coordinated security analysis with at least the transmission system operators of the system operation region.	2.3. Regional ***coordination*** centres shall share the results of the coordinated security analysis with at least the transmission system operators of the system operation region.	2.3 Regional **[ ] security coordinators** shall share the results of the coordinated security analysis with at least the transmission system operators of the system operation region.	

2.4. When as a result of the coordinated security analysis a regional operational centre detects a possible constraint, it shall design remedial actions maximizing economic efficiency.	2.4. When as a result of the coordinated security analysis a regional ***coordination*** centre detects a possible constraint, it shall design remedial actions maximizing economic efficiency.	2.4 When as a result of the coordinated security analysis a regional **[ ] security coordinator** detects a possible constraint, it shall design remedial actions maximizing **effectivenes and** economic efficiency.	
	2.4 a. Coordinated security analysis shall be performed based on a common system model in accordance with point 2 and on a methodology to design coordinated remedial actions developed by the transmission system operators of the relevant system operation region.		
3. Creation of common system models		**3. Creation of common [ ] grid models**	
3.1. Regional operational centres shall set up efficient processes for the creation of a common system model for each operational planning timeframe.	3.1. Regional ***coordination*** centres shall set up efficient processes for the creation of a common system model for each operational planning timeframe.	3.1 Regional **[ ] security coordinators** shall set up efficient processes for the creation of a common **[ ] grid** model for each operational planning timeframe **between the year-ahead and intraday timeframes**.	
3.2. Transmission system operators shall appoint one regional operational centre to build the common system model for all regions.	3.2. Transmission system operators shall appoint one regional ***coordination*** centre to build the common system model for all regions.	3.2 Transmission system operators shall appoint one regional **[ ] security coordinator** to build the **Union-wide** common **[ ] grid** models **[ ]**.	

		3.2a Common grid models shall be performed in accordance with the methodologies developed pursuant to Articles 67, 70 and 79 of Commission Regulation 2017/1485 establishing a guideline on electricity transmission system operation and pursuant to Article 28 of Commission Regulation 2015/1222 establishing a guideline on capacity allocation and congestion management.	
3.3. Common system models shall include relevant data for efficient operational planning and capacity calculation in all operational planning timeframes.		3.3 Common **[ ] grid** models shall include relevant data for efficient operational planning and capacity calculation in all operational planning **timeframes between the year-ahead and intraday timeframes**.	
3.4. Common system models shall be made available to all regional operational centres, transmission system operators, ENTSO for Electricity and the Agency, upon its request.	3.4. Common system models shall be made available to all regional ***coordination*** centres, transmission system operators, ENTSO for Electricity and the Agency, upon its request.	3.4 Common **[ ] grid** models shall be made available to all regional **[ ] security coordinators**, transmission system operators, ENTSO for Electricity and the Agency, upon its request.	
4. Consistency assessment of transmission system operators' defense plans and restoration plans		**4. Support to the consistency assessment of transmission system operators' defense plans and restoration plans**	

		4.1a Regional security coordinators shall support the transmission system operators of the system operation region in carrying out the consistency assessment of transmission system operators' defense plans and restoration plans pursuant to the procedures set out in Article 6 of [Commission Regulation xxxx/xxxx establishing a network code on electricity emergency and restoration].	
4.1. All transmission system operators shall agree on a threshold above which the impact of actions of one or more transmission system operators in the emergency, blackout or restoration states is considered significant for other transmission system operators synchronously or non- synchronously interconnected.		4.1 All transmission system operators shall agree on a threshold above which the impact of actions of one or more transmission system operators in the emergency, blackout or restoration states is considered significant for other transmission system operators synchronously or non- synchronously interconnected.	
4.2. Using the threshold defined pursuant to point 4.1, each regional operational centre shall provide support to the transmission system operators of the system operation region regarding the assessment of the consistency of its transmission system operators' system defence plans and the restoration plans.	4.2. Using the threshold defined pursuant to point 4.1, each regional ***coordination*** centre shall provide support to the transmission system operators of the system operation region regarding the assessment of the consistency of its transmission system operators' system defence plans and the restoration plans.	**[ ]**	

4.3. In providing support to the transmission system operators, the regional operational centre shall:	4.3. In providing support to the transmission system operators, the regional ***coordination*** centre shall:	4.3 In providing support to the transmission system operators, the regional **[ ] security coordinator** shall:	
(a) identify potential incompatibilities;		(a)identify potential incompatibilities;	
(b) propose mitigation actions.		(b) propose mitigation actions.	
4.4. Transmission system operators shall take into account the proposed mitigation actions.		4.4 Transmission system operators shall **assess and** take into account the proposed mitigation actions.	
5. Coordination and optimization of regional restoration		**5.** ***(8 in GA)*** **Support the coordination and optimization of regional restoration**	
5.1. Regional operational centres shall be equipped with the close to real time supervisory control and data acquisition systems with the observability defined by applying the threshold defined in accordance with point 4.1.	***deleted***	**[ ]**	
5.2. Each relevant regional operational centre shall provide assistance to the appointed frequency leaders and the resynchronisation leaders aiming at improving the efficiency and effectiveness of system restoration. Transmission system operators shall be entitled to request assistance from regional operational centres if their system is in a blackout or restoration state.	5.2. Each relevant regional ***coordination*** centre shall provide assistance to the appointed frequency leaders and the resynchronisation leaders aiming at improving the efficiency and effectiveness of system restoration. Transmission system operators shall be entitled to request assistance from regional ***coordination*** centres if their system is in a blackout or restoration state.	5.2 *(8.2 IN GA)* Each relevant regional **[ ] security coordinator** shall **[ ] support the transmission system operators appointed as [ ]** frequency leaders and the resynchronisation leaders **pursuant to Articles 29 and 33 of Commission Regulation xxxx/xxxx establishing a network code on emergency and restoration** [~~aiming at improving~~] **to improve** the efficiency and effectiveness of system restoration. **The transmission system operators of the system operation region shall define the role of the regional**	

		security coordinator relating to the support to the coordination and optimisation of regional restoration.	
		8.3 in GA *(ex last sentence of 5.2)* Transmission system operators **[ ] may [ ]** request assistance from regional **[ ] security coordinators** if their system is in a blackout or restoration state.	
		8.4 in GA Regional security coordinators shall be equipped with the close to real time supervisory control and data acquisition systems with the observability defined by applying the threshold defined in accordance with point 4.1.	
6. Post-operation and post-disturbances analysis and reporting		**6.** *(9 in GA)* **Post-operation and post-disturbances analysis and reporting**	
6.1. Regional operational centres shall investigate and prepare a report on any incident above the threshold defined in accordance with point 4.1. The regulatory authorities of the system operation region and the Agency may be involved in the investigation upon their request. The report shall contain recommendations aiming at preventing similar incidents in future.	6.1. Regional ***coordination*** centres shall investigate and prepare a report on any incident above the threshold defined in accordance with point 4.1. The regulatory authorities of the system operation region and the Agency may be involved in the investigation upon their request. The report shall contain recommendations aiming at preventing similar incidents in future.	6.1 *(9.1 in GA)* Regional **[ ] security coordinators** shall **[ ]** prepare a report on any incident above the threshold defined in accordance with point 4.1. The regulatory authorities of the system operation region and the Agency may be involved in the investigation upon their request. The report shall contain recommendations aiming at preventing similar incidents in future.	

6.2. The report shall be made available to all transmission system operators, regulatory authorities, the Commission and the Agency. The Agency may issue recommendations aiming at preventing similar incidents in future.		6.2 *(9.5 in GA)* The report shall be **[ ] published**. The Agency may issue recommendations aiming at preventing similar incidents in future.	
7. Regional sizing of reserve capacity		**[ ]**	
7.1. Regional operational centres shall determine the reserve capacity requirements for the system operation region. The determination of reserve capacity requirements shall:	7.1. Regional ***coordination*** centres shall determine the reserve capacity requirements for the system operation region. The determination of reserve capacity requirements shall:		
(a) pursue the general objective to maintain operational security in the most cost effective manner;			
(b) be performed at the day-ahead and/or intraday timeframe;			
(c) determine the overall amount of required reserve capacity for the system operation region;			
(d) define minimum reserve capacity requirements for each type of reserve capacity;			
(e) take into account possible substitutions between different types of reserve capacity with the aim to minimise the costs of procurement;			
(f) set out the necessary requirements for the geographical distribution of required reserve capacity, if any.			

8. Facilitation of the regional procurement of balancing capacity		**[ ]**	
8.1. Regional operational centres shall support the transmission system operators of the system operation region in determining the amount of balancing capacity that needs to be procured. The determination of the amount of balancing capacity shall:	8.1. Regional ***coordination*** centres shall support the transmission system operators of the system operation region in determining the amount of balancing capacity that needs to be procured. The determination of the amount of balancing capacity shall:		
(a) be performed at the day-ahead and/or intraday timeframe;			
(b) take into account possible substitutions between different types of reserve capacity with the aim to minimise the costs of procurement;			
(c) take into account the volumes of required reserve capacity that are expected to be provided by balancing energy bids, which are not submitted based on a contract for balancing capacity.			
	(ca) take into account possible substitutions between different types of reserve capacity with the aim to minimise the costs of procurement.		
8.2. Regional operational centres shall support the transmission system operators of the system operation region in procuring the required amount of balancing capacity determined in accordance with point 8.1. The procurement of balancing capacity shall:	***deleted***		

(a) be performed at the day-ahead and/or intraday timeframe;	***deleted***		
(b) take into account possible substitutions between different types of reserve capacity with the aim to minimise the costs of procurement.	***deleted***		
9. Regional system adequacy forecasts and preparation of risk reducing actions		**9.** *(5 in GA)* **Week-ahead to day-ahead regional system adequacy [ ] assessments and preparation of risk reducing actions**	
9.1. Regional operational centres shall perform week ahead to intraday regional adequacy assessments.	9.1. Regional ***coordination*** centres shall perform week ahead to intraday regional adequacy assessments.	9.1 *(5.1 in GA)* Regional regional **[ ] security coordinators** shall perform week ahead to **[ ] day-ahead** regional adequacy assessments **in accordance with the procedures set out in Article 81 of Commission Regulation 2017/1485 establishing a guideline on electricity system operation and on the basis of the methodology developed pursuant Article 8 of [Risk preparedness Regulation].**	
9.2. Regional operational centres shall base the adequacy assessments on the information provided by the transmission system operators of system operation region with the aim of detecting situations where a lack of adequacy is expected in any of the control areas or at regional level. Regional operational centres shall take into account possible cross-zonal exchanges and operational security limits in all operational planning timeframes.	9.2. Regional ***coordination*** centres shall base the adequacy assessments on the information provided by the transmission system operators of system operation region with the aim of detecting situations where a lack of adequacy is expected in any of the control areas or at regional level. Regional ***coordination*** centres shall take into account possible cross-zonal exchanges and operational security limits in all operational planning timeframes.	9.2 *(5.2 in GA)* Regional **[ ] security coordinators** shall base the **short-term regional** adequacy assessments on the information provided by the transmission system operators of system operation region with the aim of detecting situations where a lack of adequacy is expected in any of the control areas or at regional level. Regional **[ ] security coordinators** shall take into account possible cross-zonal exchanges and operational security limits in all	

		relevant operational planning timeframes.	
9.3. When performing a regional generation adequacy assessment, each regional operational centre shall coordinate with other regional operational centres to:	9.3. When performing a regional generation adequacy assessment, each regional ***coordination*** centre shall coordinate with other regional ***coordination*** centres to:	9.3 *(5.3 in GA)* When performing a regional **[ ] system** adequacy assessment, each regional **[ ] security coordinator** shall coordinate with other regional **[ ] security coordinators** to:	
(a) verify the underlying assumptions and forecasts;		(a) verify the underlying assumptions and forecasts;	
(b) detect possible cross-regional lack of adequacy situations.		(b) detect possible cross-regional lack of adequacy situations.	
9.4. Each regional operational centre shall deliver the results of the regional generation adequacy assessments together with the actions it proposes to reduce risks of lack of adequacy to the transmission system operators of the system operation region and to other regional operational centres.	9.4. Each regional ***coordination*** centre shall deliver the results of the regional generation adequacy assessments together with the actions it proposes to reduce risks of lack of adequacy to the transmission system operators of the system operation region and to other regional ***coordination*** centres.	9.4 *(5.4 in GA)* Each regional **[ ] security coordinator** shall deliver the results of the regional generation adequacy assessments together with the actions it proposes to reduce risks of lack of adequacy to the transmission system operators of the system operation region and to other regional **[ ] security coordinators**.	
10. Regional outage coordination		**10.** *(6 in GA)* **Regional outage planning coordination**	
10.1. Each regional operational centre shall perform outage coordination in order to monitor the availability status of the relevant assets and coordinate their availability plans to ensure the operational security of the transmission system, while maximizing the capacity of the interconnectors and/or the transmission systems affecting cross-zonal flows.	10.1. Each regional ***coordination*** centre shall perform outage coordination in order to monitor the availability status of the relevant assets and coordinate their availability plans to ensure the operational security of the transmission system, while maximizing the capacity of the interconnectors and/or the transmission systems affecting cross-zonal flows.	10.1 *(6.1 in GA)* Each regional **[ ] security coordinator** shall perform **regional** outage coordination **in accordance with the procedures set out in Article 80 of Commission Regulation 2017/1485 establishing a guideline on electricity transmission system operation** in order to monitor the availability status of the relevant assets and coordinate their availability plans to ensure the operational security of the transmission system,	

		while maximizing the capacity of the interconnectors and/or the transmission systems affecting cross-zonal flows.	
10.2. Each regional operational centre shall maintain a single list of relevant grid elements, power generating modules and demand facilities of the system operation region and make it available on the ENTSO for Electricity operational planning data environment.	10.2. Each regional ***coordination*** centre shall maintain a single list of relevant grid elements, power generating modules and demand facilities of the system operation region and make it available on the ENTSO for Electricity operational planning data environment.	10.2 *(6.2 in GA)* Each regional **[ ] security coordinator** shall maintain a single list of relevant grid elements, power generating modules and demand facilities of the system operation region and make it available on the ENTSO for Electricity operational planning data environment.	
10.3. Each regional operational centre shall carry out the following activities related to outage coordination in the system operation region:	10.3. Each regional ***coordination*** centre shall carry out the following activities related to outage coordination in the system operation region:	10.3 *(6.3 in GA)* Each regional **[ ] security coordinator** shall carry out the following activities related to outage coordination in the system operation region:	
(a) assess outage planning compatibility using all transmission system operators' year-ahead availability plans;		(a) assess outage planning compatibility using all transmission system operators' year-ahead availability plans;	
(b) provide the transmission system operators of the system operation region with a list of detected planning incompatibilities and the solutions it proposes to solve the incompatibilities.		(b) provide the transmission system operators of the system operation region with a list of detected planning incompatibilities and the solutions it proposes to solve the incompatibilities.	
11. Optimization of inter-transmission system operators compensation mechanisms		**11.** *(12 in GA)* **Optimization of inter-transmission system operators compensation mechanisms**	

11.1. Regional operational centres shall support the transmission system operators of the system operation region in administering the financial flows related to inter- transmission system operators settlements involving more than two transmission system operators, such as redispatching costs, congestion income, unintentional deviations or reserve procurement costs.	11.1. Regional ***coordination*** centres shall support the transmission system operators of the system operation region in administering the financial flows related to inter- transmission system operators settlements involving more than two transmission system operators, such as redispatching costs, congestion income, unintentional deviations or reserve procurement costs.	11.1 *(12.1 in GA)* **The transmission system operators of the system operation region may jointly decide to receive support from the regional security coordinator [ ]** in administering the financial flows related to inter-transmission system operators settlements involving more than two transmission system operators, such as redispatching costs, congestion income, unintentional deviations or reserve procurement costs.	
12. Training and certification		**12.** *(7 in GA)* **Training and certification of staff working for regional security coordinators**	
12.1. Regional operational centres shall prepare and execute training and certification programs focusing on regional system operation for the personnel working in the planning and control rooms of the transmission system operators of system operation region.	12.1. Regional ***coordination*** centres shall prepare and execute training and certification programs focusing on regional system operation for the personnel working in the planning and control rooms of the transmission system operators of system operation region.	12.1. *(7.1 in GA)* Regional **[ ] security coordinators** shall prepare and execute training and certification programs focusing on regional system operation for the personnel working **for regional security coordinators [ ]**	
12.2. The training programs shall cover all the relevant components of system operation, including scenarios of regional crisis.		12.2 *(7.2 in GA)* The training programs shall cover all the relevant components of system operation, **where the regional security coordinator performs tasks** including scenarios of regional crisis.	
13. Identification of regional crisis situations and preparation of risk mitigation scenarios reviewing the risk preparedness plans as established in Member States		**13. Identification of regional crisis situations and preparation of risk mitigation scenarios reviewing the risk preparedness plans as established in Member States**	

13.1. If ENTSO for Electricity delegates this function, regional operational centres shall identify regional crisis scenarios in accordance with the criteria set out in Article 6(1) of [Risk Preparedness Regulation as proposed by COM(2016) 862]	13.1. If ENTSO for Electricity delegates this function, regional ***coordination*** centres shall identify regional crisis scenarios in accordance with the criteria set out in Article 6(1) of [Risk Preparedness Regulation as proposed by COM(2016) 862]	13.1 If **the** ENTSO for Electricity delegates this function, regional **[ ] security coordinators** shall identify regional crisis scenarios in accordance with the criteria set out in Article 6(1) of [Risk Preparedness Regulation as proposed by COM(2016) 862].	
		The identification of regional crisis scenarios shall be performed in accordance with the methodology set out in Article 5 of the [Risk Preparedness Regulation].	
13.2. Regional operational centres shall prepare and carry out yearly crisis simulation in cooperation with competent authorities according to Article 12(3) of [Risk Preparedness Regulation as proposed by COM(2016) 862].	13.2. Regional ***coordination*** centres shall prepare and carry out yearly crisis simulation in cooperation with competent authorities according to Article 12(3) of [Risk Preparedness Regulation as proposed by COM(2016) 862].	13.2 Regional **[ ] security coordinators** shall **support the competent authorities of each system operation region in the** prepar**ation** and carry**ing** out **of [ ] annual** crisis simulation **[ ] in accordance with** Article 12(3) of [Risk Preparedness Regulation as proposed by COM(2016) 862].	
	13a. Identification of needs for new capacity, for upgrade of existing capacity or their alternatives.		

	13a.1. Regional coordination centres shall support transmission system operators in the identification of needs for new capacity, for an upgrading of existing capacity or for their alternatives, to be submitted to the regional groups established pursuant to Regulation (EU) No 347/2013 and to be included in the ten-year network development plan referred to in Article 51 of [recast of Directive 2009/72/EC as proposed by COM(2016) 864/2]		
		The preparation of risk mitigation scenarios shall be performed in accordance with the process set out in Article 12 of the [Risk Preparedness Regulation]. **[ ]**	
		14. ***(10 in GA)*** **Calculation of the maximum entry capacity available for the participation of foreign capacity in capacity mechanisms.**	
		14.1 ***(10.1 in GA)*** **Regional security coordinators shall support TSO in calculating the maximum entry capacity available for the participation of foreign capacity in capacity mechanisms taking into account the expected availability of interconnection and the likely concurrence of system stress between the system where the mechanism is applied and the system in which the foreign capacity is located.**	

		14.2 ***(10.2 in GA)*** **The calculation shall be performed in accordance with the methodology set out in Article 21(10)(a) of this Regulation.**	
		14.3 ***(10.3 in GA)*** **Regional security coordinators shall provide a calculation for each bidding zone border covered by the system operation region.**	
		15. ***(11 in GA)*** **Preparation of seasonal outlooks**	
		15.1 ***(11.1 in GA)*** **If the ENTSO for Electricity delegates this function pursuant to Article 9 of [Risk preparedness Regulation], regional security coordinators shall carry out regional seasonal adequacy outlooks.**	
		15.2 ***(11.2 in GA)*** **The preparation of seasonal outlooks shall be carried out on the basis of the methodology developed pursuant to Article 8 of [Risk preparedness Regulation].**	