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EFET proposed amendments to draft instruments within the Clean Energy Package

VARIOUS THEMES

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The amendments below are a compilation of the various themes not tackled in our dedicated amendment sheets on the forward markets, RES integration, demand response and distribution system operators.

First, we present a series of amendments aiming to ensure full equal treatment of participants in the market, and the upholding of system operators in their role of neutral market facilitators.

Second, we insist on the need to take action rapidly to put in practice the provisions already enacted in the Third Energy Package regarding the phase-out of retail tariffs. Measures to ensure the protection of energy poor of vulnerable customers shall be performed by other means than retail price regulation, which have too often be used to restrict competition and free formation of wholesale energy prices.

Third, it is useful to reiterate the fundamental principle of open and non-discriminatory access of all market participants to the balancing market including across borders, as well as the principle of separate procurement of balancing energy and capacity. We also understand the goal of the legislator to facilitate shorter-term procurement in order to enable a greater participation of intermittent generation and demand in the ancillary services market. However, we believe there is still a rationale to maintain at least part of the procurement of reserve capacity with a longer time horizon, both to ensure an easier management of the system by TSOs and to reduce the cost of reserves procurement, which is borne by the end-consumer through network tariffs

Fourth, we recall our support for the ENTSO-E review of bidding zones delineation, which showcases elaborate research on a number of scenarios and deep stakeholder involvement. Considering that the risk of repeated bidding zone changes in the short or medium term undermines the functioning of the (forward) power market, we believe that decisions on taking action on the recommendations of the ENTSO-E review should remain in the hands of Member States rather than handed over to the European Commission.

Fifth, we challenge the proposal to include an emissions performance standard for capacity mechanisms in the Clean Energy Package. While we were expecting more from the European Commission in terms of establishing a blueprint for capacity mechanisms in Europe, this provision contradicts all previous statements of the Commission regarding the non-discriminatory character that was expected of capacity mechanisms. Also, this provision is one more element of European legislation that will further undermine the efficiency of the EU ETS.

Sixth, we question the rationale of the proposal to amend the procedure for adopting network codes – from adoption by implementing acts towards use of delegated acts. We are attached to the transparency of the implementing acts adoption procedure, and believe that Member States´ involvement in this legislative process should continue.

Finally, cooperation between the European Union and Energy Community Contracting Parties should also be extended to other very well interconnected countries that are part of the synchronous grid of Continental Europe, such as Switzerland. The high degree of interconnection and the integration of Switzerland in the Internal electricity market should be reflected through close cooperation with the EU.

Ensuring equal treatment of all market participants

Article	Draft CEP Proposal	Proposed EFET Amendments	Reasoning
Art. 3.1 Electricity Directive	Member States shall ensure that their national legislation does not unduly hamper cross-border flows of electricity, consumer participation including through demand– side response, investments into flexible energy generation, energy storage, the deployment of electro-mobility or new interconnectors, and that electricity prices reflect actual demand and supply.	Member States shall ensure that their national legislation and the manner in which it is implemented do not unduly hamper cross-border ~~flows of~~ transactions in electricity, consumer participation including through demand– side response, investments into flexible energy generation, energy storage, the deployment of electro-mobility or new interconnectors, and that electricity prices reflect actual demand and supply.	The emphasis at the outset of the recast piece of primary legislation should not be on facilitating cross-border flows, rather on facilitating cross-border transactions in electricity. The blocking of interconnection capacity, by supposedly embedded loop flows and flows induced by generation assets exempt at national level from the discipline of market forces, lies at the heart of what has gone wrong in recent years with cross-border transmission capacity calculation and allocation. That is not necessarily a result of the wording of primary legislation in Member States, rather the manner in which it is interpreted, used and enforced.
Art. 3.2 Electricity Directive	Members States shall ensure that no undue barriers exist for market entry and market exit of electricity generation and electricity supply undertakings.	Members States shall ensure that no undue barriers exist for market entry and market exit of electricity generation, including electricity generation aggregation, and electricity supply, demand-side response, including demand-side response aggregation, and storage undertakings.	The key objective of European legislation should be to ensure that no Member State restricts end-consumers' right to organise their supply of electricity as well as the valuation of their demand response potential. We insist on the freedom of end-users when it comes to opting or not to commercialise their demand response potential, as well as to choosing how and with whom they wish to do so. In order to ensure the right of demand response

			providers, including demand response aggregators, to propose their services to any consumer, their right to freely enter in and exit from the market should be more clearly set in stone. Hence, we recommend reinforcing Article 3.2 of the draft react Directive by including these market participants in the list of actors whose freedom to enter in and exit from the market should be guaranteed, alongside electricity generators and suppliers.
Art. 16.2 Electricity Directive	Member States shall provide an enabling regulatory framework that ensures that (a) participation in a local energy community is voluntary; (b) shareholders or members of a local energy community shall not lose their rights as household customers or active customers; (c) shareholders or members are allowed to leave a local energy community; in such cases Article 12 shall apply; (d) Article 8 paragraph 3 applies to generating capacity installed by local energy communities as long as such capacity can be considered small decentralised or distributed generation; (e) provisions of Chapter IV apply to local energy communities that perform activities of a distribution system operator; (f) where relevant, a local energy community may conclude an agreement with a distribution system operator to which their network is connected on the operation of the local energy community's network; (g) where relevant system users that are not shareholders or members of the local energy community connected to the distribution network operated by a local	Member States shall provide ~~an enabling~~ regulatory framework that ensures that (a) participation in a local energy community is voluntary; (b) shareholders or members of a local energy community shall not lose their rights as household customers or active customers; (c) shareholders or members are allowed to leave a local energy community; in such cases Article 12 shall apply; (d) Article 8 paragraph 3 applies to generating capacity installed by local energy communities as long as such capacity can be considered small decentralised or distributed generation; (e) provisions of Chapter IV apply to local energy communities that perform activities of a distribution system operator; (f) where relevant, a local energy community may conclude an agreement with a distribution system operator to which their network is connected on the operation of the local energy community's network; (g) where relevant system users that are not shareholders or members of the local energy community connected to the distribution network operated by a local energy community shall be subject to fair and cost-reflective network charges. If such system users and local energy communities cannot reach an agreement on network charges,	The level-playing field between all types of business models should be maintained. The proposed wording of Article 16.2 of the draft recast Electricity Directive ("Member States shall provide an enabling regulatory framework") makes us fear that the European Commission seeks to promote this particular model in preference to other business models. If a regulatory framework elaborated in a Member State would reflect such a preference, which might well lead to discrimination against other market participants. An enabling framework must in no event jeopardise third-party access to networks, decentralised dispatch decisions nor the right to bid into markets on a portfolio basis. Furthermore it should not undermine consumer protection measures. Residential consumers of power and gas deserve the continued benefit of such measures, whether they receive their energy as part of a local energy community or a RES community, or from a traditional supplier. Moreover, the promotion of local or renewable energy communities would favour a specific business model, which largely relies on the avoidance of sales related taxes, renewable energy levies and network charges. The implication of the development of this model regarding the financial burden on a shrinking pool of "standard" electricity consumers should be seriously considered. The focus of legislation affecting the electricity market design, as the Clean Energy Package clearly does, should be to remove unduly restrictive regulation where the need arises, as opposed to privileging a specific type of initiative, business model

	energy community shall be subject to fair and cost-reflective network charges. If such system users and local energy communities cannot reach an agreement on network charges, both parties may request the regulatory authority to determine the level of network charges in a relevant decision (h) where relevant local energy communities are subject to appropriate network charges at the connection points between the community network and the distribution network outside the energy community. Such network charges shall account separately for the electricity fed into distribution network and the electricity consumed from the distribution network outside the local energy community in line with Article 59 paragraph 8.	both parties may request the regulatory authority to determine the level of network charges in a relevant decision (h) where relevant local energy communities are subject to appropriate network charges at the connection points between the community network and the distribution network outside the energy community. Such network charges shall account separately for the electricity fed into distribution network and the electricity consumed from the distribution network outside the local energy community in line with Article 59 paragraph 8.	or category of commercial activity.
Art. 54.2 Electricity Directive	By way of derogation from paragraph 1, Member States may allow transmission system operators to own, manage or operate storage facilities and provide non-frequency ancillary services if the following conditions are fulfilled: (a) other parties, following an open and transparent tendering procedure, have not expressed their interest to own, control, manage or operate such facilities offering storage and/or non-frequency ancillary services to the transmission system operator; (b) such facilities or non-frequency ancillary services are necessary for the transmission system operators to fulfil its obligations under this regulation for the efficient, reliable and secure operation of the transmission system	[Delete article 54.2 or amend as follows:] By way of derogation from paragraph 1, Member States may allow transmission system operators to own, manage or operate storage facilities and provide non- frequency ancillary services if the following conditions are fulfilled: (a) the transmission system operators have performed a cost-benefit analysis of the various options available to solve the identified system need and storage has been identified as the cheapest available option (~~a~~b) other parties, following an open, ~~and~~ transparent and non-discriminatory tendering procedure, have not expressed their interest to own, control, manage or operate such facilities offering storage and/or non-frequency ancillary services to the transmission system operator;	The principle of non-ownership and non-operation by system operators is stated to be subject to exemptions in Article 36.2 and Article 54.2 of the draft recast Directive. In our view, **these exemptions should not exist**. If they are maintained, the limitations on the exemptions should be significantly strengthened: cost-efficiency analyses should be performed by the system operators to look at all alternative ways (not only storage) to solve the identified problem; tenders should be open to different types of technologies (not only storage) to respond to their needs; tenders should be established in such a way that the system operators are not the only ones that can fulfil their requirement; and tendering should last long enough to reduce costs for asset operators. Legislators ought to keep in mind that should storage assets be operated by system operators, these assets would in most likelihood be structurally under-used, resulting in higher costs overall. On the one hand, this would diminish the value of the system operator-owned

	and they are not used to sell electricity to the market; and (c) the regulatory authority has assessed the necessity of such derogation taking into account the conditions under points (a) and (b) of this paragraph and has granted its approval.	(~~b~~c) such facilities or non-frequency ancillary services are necessary for the transmission system operators to fulfil its obligations under this regulation for the efficient, reliable and secure operation of the transmission system and they are not used to sell electricity to the market; and (~~c~~d) the regulatory authority has assessed the necessity and cost-efficiency compared to other options of such derogation taking into account the conditions under points (a), (b) and (~~b~~c) of this paragraph and has granted its approval.	assets: unlike market participants, system operators would not be able to pool the capacity and output of different storage assets to sell them both on the market and use them for system operation, thereby increasing the price of storage capacity use for all users, including themselves. On the other hand, under-used system operator-owned storage assets would weaken the business case for private investments in storage assets, as it would suppress signals of the value of storage capacity on the market. Note that this deletion/amendment proposal should also apply to Art. 36.2 of the draft recast Directive for DSOs.

Phasing-out regulated retail tariffs			
Art. 5.3 Electricity Directive	By way of derogation from paragraphs 1 and 2, Member States who apply public interventions in price setting for the supply of electricity for energy poor or vulnerable household customers at the date of entry into force of this Directive may continue to apply such public interventions during five years from the entry into force of this Directive. Such public interventions shall pursue a general economic interest, be clearly defined, transparent, non-discriminatory, verifiable and guarantee equal access for Union electricity companies to customers. The interventions shall not go beyond what is necessary to achieve the general economic interest which they pursue, be limited in time and proportionate as regards their beneficiaries.	[Delete article 5.3] ~~By way of derogation from paragraphs 1 and 2 Member States who apply public interventions in price setting for the supply of electricity for energy poor or vulnerable household customers at the date of entry into force of this Directive may continue to apply such public interventions during five years from the entry into force of this Directive. Such public interventions shall pursue a general economic interest, be clearly defined, transparent, non-discriminatory, verifiable and guarantee equal access for Union electricity companies to customers. The interventions shall not go beyond what is necessary to achieve the general economic interest which they pursue, be limited in time and proportionate as regards their beneficiaries.~~	We believe that the five-year transitional period foreseen in Article 5.3 of the draft recast Directive is unnecessarily long, given the fact that abolition of price regulation had already been foreseen by the Third Energy Package. The market distortion caused by price regulation of electricity supply shall be removed as soon as possible. In line with article 5.2, Member State measures to ensure the protection of energy poor of vulnerable customers shall be performed by other means than retail price regulation (e.g. tax breaks or tax credits, energy vouchers, etc.)
Art. 5.4 Electricity Directive	After the period referred to in paragraph 3, Member States may still apply public interventions in the price-setting for the supply of electricity for vulnerable	~~After the period referred to in paragraph 3,~~ By way of derogation from paragraphs 1 and 2, Member States may still apply public interventions in the price-setting for the supply of electricity for	See recommended deletion of article 5.3. In line with this, article 5.4 would be renumbered 5.3 and would become the only derogation to 5.1 and 5.2. We also believe that there is a need to properly define cases of "extreme

	household customers in so far as it is strictly necessary for reasons of extreme urgency. Such interventions shall comply with the conditions set out in paragraph 3. Member States shall notify the measures taken in accordance with the first subparagraph to the Commission within one month after adoption and may apply them immediately. The notification shall be accompanied by an explanation why other instruments could not sufficiently address the situation and how the beneficiaries and the duration of the measure have been determined. The notification shall be considered as complete if, within two months from its receipt, or from the receipt of any additional information requested, the Commission does not request any further information.	vulnerable household customers in so far as it is strictly necessary for reasons of extreme urgency. Such interventions shall comply with the conditions set out in paragraph 3. Member States shall notify the measures taken in accordance with the first subparagraph to the Commission within one month after adoption and may apply them immediately. The notification shall be accompanied by an explanation why other instruments could not sufficiently address the situation and how the beneficiaries and the duration of the measure have been determined. The notification shall be considered as complete if, within two months from its receipt, or from the receipt of any additional information requested, the Commission does not request any further information.	urgency", to ensure it is not used for continuation of regulation of electricity supply.

Balancing market			
Art. 5.4 Electricity Regulation	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.	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. Within security limits, TSOs shall make no distinction between balancing energy bids based on the balancing area in which it was submitted.	Though we welcome the provision of Article 5.4 of the draft recast Regulation insisting on the need for "maximum use and efficient allocation of cross-zonal capacity" within the boundaries of system security, we that bids are not discriminated against based on the original location of the offer. This would ensure that within security limits, the TSO-TSO model for the exchange of balancing energy as designed in the Electricity Balancing Guideline will make no distinction between bids in the common merit orders for the exchange of different types of reserves based on where these bids have initially been placed.
Art. 15.9 Electricity Regulation	The procurement of upward balancing capacity and downward balancing capacity shall be carried out separately. The contracting	The procurement of upward balancing capacity and downward balancing capacity shall be carried out separately. For a portion of the procurement of balancing capacity,	We have concerns regarding the proposal to shorten the timeframe for the procurement of reserves in Article 5.9 of the draft recast Regulation. This provision specifies that balancing

	should be performed for not longer than one day before the provision of the balancing capacity and the contracting period shall have a maximum period of one day	the contracting should be performed for not longer than one day before the provision of the balancing capacity and the contracting period shall have a maximum period of one day	capacity procurement must be performed on a day-ahead or intraday basis. We understand the goal of the legislator to facilitate shorter-term procurement in order to enable a greater participation of intermittent generation and demand in the ancillary services market. However, we believe there is still a rationale to maintain at least part of the procurement of reserve capacity with a longer time horizon, both to ensure an easier management of the system by TSOs and to reduce the cost of reserves procurement, which is borne by the end-consumer through network tariffs As a consequence, we would recommend amending the paragraph to ensure that part, but not all of the balancing capacity procurement is performed on a day-ahead or intraday basis and shall have a maximum contracting period of one day.

Bidding zones delineation			
Art. 13 Electricity Regulation	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. 2. Each bidding zone should be equal to an imbalance area. 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	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. 2. Each bidding zone should be equal to an imbalance area. 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	Article 13.1 of the draft recast Regulation starts on the premise that no long-term structural congestions in the transmission network should exist within the boundaries of a bidding zone. The physical reality of a zonal system is that there will always be congestions in the network inside bidding zones: some structural, some not; some long-term, some temporary; some significant, some without effect of flows or markets. The first sentence of Article 13.1, without consideration for the significance of long-term structural congestions on networks and markets, irremediably leads us to a Europe made of extremely tiny zones, if not to nodal pricing. Hence, the first sentence of the sub-paragraph should be deleted. On the contrary, the second sentence presents the balance that should be met between network-related concerns and economic efficiency in the delineation of bidding zones. This second sentence should be kept. Regarding the rest of Article 13 of the draft recast Regulation, and after long reconsideration of our initial reading of the draft recast Regulation, we agree with the shift of decision-marking power on the final decision on the delineation

	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. 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. 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. 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. 7. The Commission shall consult relevant stakeholders on its decisions under this	as well as the alternative bidding zone configurations considered. 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. 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. 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. 7. The Commission shall consult relevant stakeholders on its decisions under this Article before they are adopted. 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.	of bidding zones towards the Union. Our understanding is that the process proposed in Article 13 of the draft recast Regulation would enable the Commission to take a decision on the final conclusions of the ENTSO-E bidding zones review via an implementing act. This would in our view enable Member States to remain included in the discussions on the final decision via the Council. In that way Member States will be in a position to perform their duties as guarantors of security of supply according to Article 194 of the Treaty on the Functioning of the EU. In turn, the inclusion of the Council would avoid that a single Member State would oppose a decision deemed necessary for the overall welfare of a region or the Union. We nonetheless warn the legislators that the risk of repeated bidding zone changes in the short or medium term (even without these changes actually taking place) undermines the functioning of the forward power market and impairs the scope for that market to give locational generation investment signals. Ultimately the frustration, due to the unforeseen imposition of basis changes, of forward hedges entered into on a cross-border basis will be to the detriment of consumers of electricity. Furthermore, decisions about investment in, refurbishment of and divestment of generation, demand response and storage assets, become more difficult in an environment where bidding zone boundaries might change at short notice. Hence, the new decision-making process proposed by the European Commission should avoid sending the wrong signals to the market.

	Article before they are adopted. 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.		

Capacity mechanisms			
Art. 23.4 Electricity Regulation	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.	[Delete article 23.4] ~~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.~~	A major novelty, and the only binding design criterion for capacity mechanisms that the European Commission has seen fit to include in the Clean Energy Package is a on greenhouse gas (GHG) emission standard in Article 23.4 of the draft recast Regulation. EFET rejects this concept as it contradicts the core principles of non-discrimination, effective competition and the efficient functioning of the market. A capacity mechanism needs to ensure security of supply – it is not a tool for promoting decarbonisation. The most efficient way to bring about decarbonisation is to internalise the externality of carbon emissions by putting a price on carbon. This is what the EU ETS seeks to do. Picking winners and losers through emissions limits is likely to introduce inefficient market distortions. To exclude specific technologies in this way may result in these technologies exiting the market and hence creating a requirement for costly new investment in (other) conventional power plants. Hence this measure is likely to bring no additional benefit in terms of emissions reductions while imposing higher costs on consumers. The measure will have the detrimental effect of weakening the carbon price in the EU ETS, which in itself undermines GHG reduction targets in the long-term. It will not reduce GHG emissions in the traded sector, since these are set by the EU ETS cap.

Adoption of delegated acts			
Art. 63 Electricity Regulation	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 the 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. 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. 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),	[Delete article 63 and references to the adoption of delegated acts in articles 31, 46, 54, 55, 56, and 59] ~~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 the 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.~~ ~~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.~~ ~~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~~	We are worried by the proposed change in the procedure for adopting network codes – from adoption by implementing acts towards use of delegated acts, according to Article 66 of the draft recast Directive and Article 63 of the draft recast Regulation. Covering quite a number of politically sensitive areas by delegated acts may be problematic, as the procedure of adopting delegated acts can never ensure the same transparency and Member States´ involvement in the legislative process as the ordinary legislative procedure. Therefore we believe that these areas shall be tackled either directly in the text of the regulation / directive, or that network codes shall be adopted as implementing acts.

	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.	~~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.~~	

Cooperation with Energy Community and other very well interconnected countries			
Article	**Draft CEP Proposal**	**Proposed EFET Amendments**	**Reasoning**
Whereas (64) Electricity Directive	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.	Member States and, the Energy Community Contracting Parties and other third countries which are part of the synchronous grid of Continental Europe and exclusively interconnected with EU or EEA countries 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.	Cooperation between the European Union and Switzerland with regard to electricity should take utmost consideration of the physical reality of electricity grids in Continental Europe; the high degree of interconnection and the integration of Switzerland in the Internal electricity market should be reflected through close cooperation with the EU. Switzerland is part of the synchronous grid of Continental Europe and is very well interconnected with its neighbouring EU Member States. The Swiss electricity industry and its assets have played a major role for the creation and the development of the Internal electricity market and in increasing security of supply, system stability and risk preparedness and continue to do so.
Whereas (48) Electricity Regulation	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.	Member States and, the Energy Community Contracting Parties and other third countries which are part of the synchronous grid of Continental Europe and exclusively interconnected with EU or EEA countries 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	Cooperation between the European Union and Switzerland with regard to electricity should take utmost consideration of the physical reality of electricity grids in Continental Europe; the high degree of interconnection and the integration of Switzerland in the Internal electricity market should be reflected through close cooperation with the EU. Switzerland is part of the synchronous grid of Continental Europe and is very well interconnected with its neighbouring EU Member States. The Swiss electricity industry and its assets

		Contracting Parties.	have played a major role for the creation and the development of the Internal electricity market and in increasing security of supply, system stability and risk preparedness and continue to do so.