



EUROPEAN COMMISSION

PRESS RELEASE

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Internal energy market: Commission refers Ireland to Court for failing to transpose EU rules

The European Commission is referring Ireland to the Court of Justice of the EU for failing to fully transpose the EU internal energy market rules. To date, Ireland has only partially transposed the Electricity Directive ([2009/72/EC](#)). The aim of the Directive is to ensure that electricity is generated, transported and sold in competitive markets which create a level-playing field for all market players. Open and competitive markets will provide citizens and businesses with secure and sustainable energy supplies at lowest possible cost. The Electricity Directive should have been transposed by the Member States by 3 March 2011.

"The Internal market is vital to tackle Europe's energy and climate challenges and to ensure affordable and secure energy supplies to households and businesses. Delays in implementation of the EU internal energy market rules have negative effects on all market participants and are therefore not acceptable," said Günther Oettinger, the EU Energy Commissioner.

The Commission proposes a daily penalty of €20358. The penalty proposed takes into account the duration and the gravity of the infringement. In the case of an affirmative judgement of the Court, the daily penalty is to be paid from the date of the judgment to the transposition date.

Ireland has already adopted a considerable amount of legislation required by the Electricity Directive. However, some provisions still remain to be transposed into national law. In particular, these provisions relate to the rules on the unbundling of transmission system operators and transmission systems. Unbundling is the separation of energy production and supply activities from the operation of the energy transmission networks. These rules are meant to ensure that companies involved in both the generation of electricity as well as in the operation of the transmission networks cannot abuse their privileged position to prevent the access of competitors to the network.

The Commission has sent a letter of formal notice concerning the transposition of the Directive to Ireland in September 2011. A reasoned opinion and an additional reasoned opinion followed in 2012 and 2013. Despite these proceedings, full transposition is still pending in Ireland.

Today's action is in line with the Commission's objective to ensure Member States' full compliance with internal energy market rules. A number of other Member States have already been referred to the Court for partial transposition in 2012 and in 2013 (See [IP/12/1139](#), [IP/12/1236](#), [IP/13/42](#) and [IP/13/260](#)).

Background

To complete the EU internal energy market, the timely and full transposition of EU legislation on the single market of gas and electricity into national law is crucial. The third internal energy market package includes key provisions for a proper functioning of the energy markets, including new rules on the unbundling of networks, rules strengthening the independence and the powers of national regulators and rules that improve the functioning of retail markets to the benefit of consumers.

The concerned Directives of the Third internal energy market package are:

Directive on common rules for the **internal market in gas** ([2009/73/EC](#))

Directive on common rules for the **internal market in electricity** ([2009/72/EC](#))

Under the Lisbon Treaty, which entered into force on 1 December 2009, if Member States fail to transpose EU legislation into national law within the required deadline, the Commission may ask the Court to impose financial sanctions when referring the case to court.

The daily penalty payment is calculated based on a formula, where the following elements are multiplied:

- seriousness factor
- duration of the infringement
- "n" factor (which varies between Member States and takes into account their GDP)
- flat-rate amount, which currently is set at €650 per day.

More information

The Electricity Directive ([2009/72/EC](#)), and the Gas Directive ([2009/73/EC](#)), can be consulted [here](#).

Commission web page on the internal energy market:

http://ec.europa.eu/energy/gas_electricity/index_en.htm.

Current figures on infringements in general can be found at:

http://ec.europa.eu/eu_law/infringements/infringements_en.htm.

On the February infringement package decisions, see [MEMO/14/116](#).

On the general infringement procedure, see [MEMO/12/12](#).

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