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Energy: Commission requests 20 Member States to implement and apply Single Market rules without delay

The European Commission has decided to send 35 separate requests to 20 Member States to implement and apply in full various aspects of EU legislation to create a Single Market for gas and electricity. These rules aim at increasing the capacity and transparency of gas and electricity markets. A properly functioning, well regulated, transparent and interconnected market, with market price signals is crucial for ensuring competition and security of supply. An efficient and fully functional EU Single Market in energy will give consumers a choice between different companies supplying gas and electricity at reasonable prices, and it will make the market accessible for all suppliers, especially the smallest and those investing in renewable energies. It will also help the EU to recover from the economic crisis. The Member States in question now have two months to respond to the requests, which take the form of 'reasoned opinions' under EU infringement procedures. In the absence of satisfactory responses from the Member States concerned, the Commission may refer them to the EU's Court of Justice.

The Commission is sending a total of 35 reasoned opinions to the following 20 Member States: Austria, Belgium, Bulgaria, the Czech Republic, Germany, Spain, France, Greece, Hungary, Ireland, Italy, Luxembourg, The Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Sweden and the United Kingdom.

Key violations identified by the Commission concern:

- lack of information provided by electricity and gas transmission system operators, thereby obstructing effective access for supply companies to networks
- inadequate network capacity allocation systems, preventing best possible use of networks for electricity and gas transmission in Member States
- lack of coordination and cooperation across borders by electricity transmission system operators and national authorities, which is necessary in order to better allocate network capacity on cross-border interconnections so that the existing electricity grid could best serve regional and European needs
- inadequate efforts by gas transmission system operators to offer the possibility to network users to enter upstream gas markets (such as from Germany to Poland or from Greece to Bulgaria by offering interruptible reverse flow (also known as 'backhaul') services
- lack of effective enforcement action by the competent authorities in Member States in case of violations of the EU regulations, including the absence of effective penalties at national level

- lack of adequate dispute settlement procedures for consumers - it is a fundamental premise of the Electricity and Gas Directives that all citizens who enjoy the benefits of the Single Market in energy should also be able to enjoy high levels of consumer protection. A lack of transparent, simple and inexpensive procedures for dealing with their complaints can lead to consumers' reluctance to take advantage of the Single Market in energy.

Background:

The infringements concern Member States' failure to respect their legal obligations arising from these two Regulations:

- Regulation (EC) No [1228/2003](#) on conditions for access to the network for cross-border exchanges in electricity (entered into force on 1 July 2004) + Annex of the Regulation (changed by Decision 9 November 2006; entered into force on 29 November 2006);
- Regulation (EC) No [1775/2005](#) on conditions for access to the natural gas transmission networks + Annex (Member States had to comply with the Regulation as from 1 July 2006).

These Regulations, directly applicable in Member States, aim at guaranteeing non-discriminatory third parties' access to the electricity and gas transmission networks. They require transmission system operators to publish information on network availability and capacity and to offer the maximum capacity of the network to the market. Moreover, Member States must lay down the rules on penalties applicable to infringements of the provisions of the Regulation.

In addition, four Member States (Belgium, Poland, Romania and Slovenia), have failed to implement their obligations to establish alternative dispute settlement mechanisms, as laid down in the following Directives:

- Directive [2003/54/EC](#) on common rules for the internal market in electricity
- Directive [2003/55/EC](#) on common rules for the internal market in natural gas.

Member States were due to implement these Directives in national law by 1 July 2004. To date, consumers in Belgium, Poland, Romania and Slovenia can still not benefit from transparent, simple and inexpensive procedures for dealing with their complaints as required by these Directives.

For more information on the situation in individual Member States, see [MEMO/10/275](#).