

EUROPEAN COMMISSION

Press release

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

The European Commission is referring Romania to the Court of Justice of the European Union for failing to fully transpose the EU internal energy market rules. To date, Romania has only partially transposed the Electricity and Gas Directives. However, Member States should already have fully transposed these Directives by 3 March 2011.

"Internal market is vital for tackling 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 players and are therefore not acceptable," said Günther Oettinger, the EU Energy Commissioner."

Romania has already adopted a considerable amount of legislation required by the electricity and gas Directives. However, some provisions still remain to be transposed into national law. In particular, these provisions relate to the protection of consumers and some duties for Energy Regulator. Ensuring proper protection for energy consumers as well as clearly spelled-out tasks for the Energy Regulator are priorities for the Commission.

For each partially transposed Directive, the Commission proposes a daily penalty of €30228,48. The level of this penalty is set taking into account the duration and the gravity of the infringement. In case of an affirmative judgement of the Court, the daily penalty is to be paid from the date of the judgment until the transposition is completed. The final amount of the daily penalties will be decided by the Court.

The Commission sent to Romania letters of formal notice concerning the transposition of the two Directives in September 2011. Reasoned opinions followed in February 2012. Despite these proceedings, full transposition is still pending.

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 over the course of 2012 and earlier in 2013 (See $\underline{\text{IP}/12/1139}$, $\underline{\text{IP}/12/1236}$ and $\underline{\text{IP}/13/42}$). The Commission is currently also examining the situation in other Member States to which reasoned opinions for incomplete transposition have been addressed.



Background

In February 2011, the EU Heads of State and Governments declared the need to complete the internal energy market by 2014. To achieve this, timely and complete 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 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 €640 per day.

More information

The Electricity Directive (2009/72/EC), and the Gas Directive (2009/73/EC), can be consulted <u>here</u>.

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 March infringement package decisions, see MEMO/13/261.

On the general infringement procedure, see MEMO/12/12.

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