



# European Commission DG Energy and Transport

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## Security of Supply Directive Update

**Florence forum  
1.9.2005**

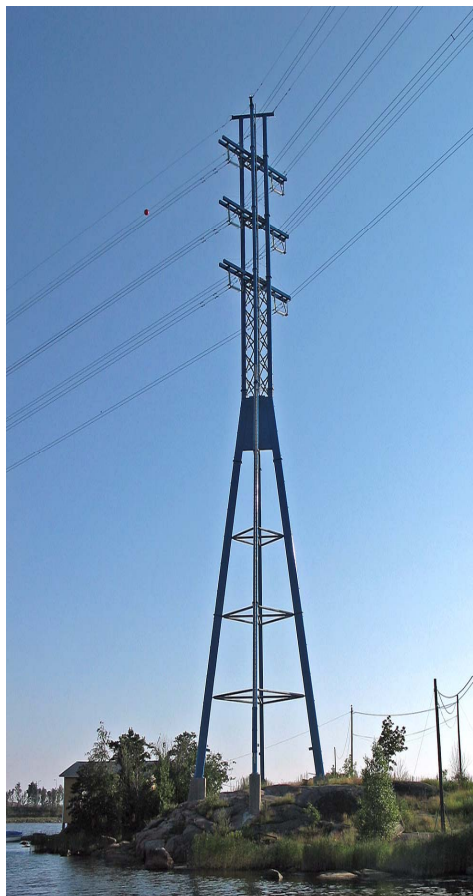
***William Webster***  
*Matti.Supponen@cec.eu.int*



Directorate General for Energy and Transport



## Tlmetable



- Dec 2003 Commission proposal
- Nov 2004 Council « general approach »
- April 2005 IRE Committee vote
- July 2005 Text agreed at first reading





# Final text of SOS Directive

## Network Operation



- Obligation on MS to require TSOs to set and comply with operational rules in co-ordination with neighbouring countries. [Article 4(1)]
- Regulatory approval may be required (already required for some aspects [Article 5(2) of Regulation]
- Binding guidelines on Operational Standards may be established [Article 8(4) of the Regulation]
- > Framework for adoption, evolution and implementation of operational rules





# Final text of SOS Directive

## Supply Demand



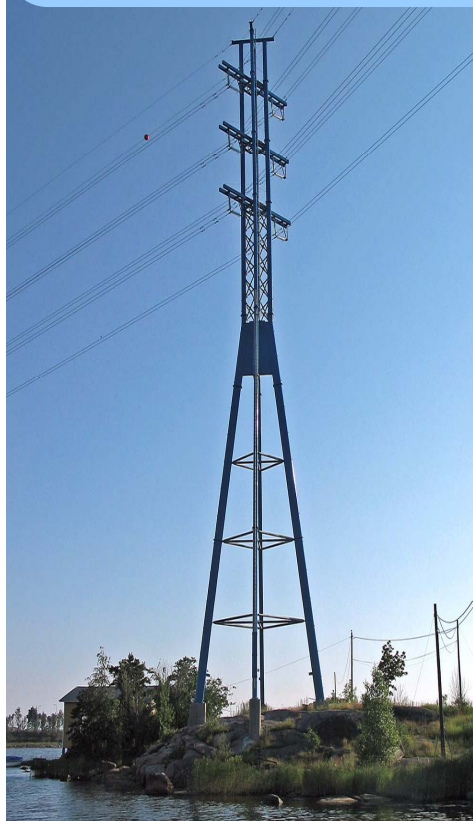
- Obligation on MS to provide stable framework for wholesale markets [Article 5]
  - Based on presumption that market will deliver investment
  - Interventions transparent and stable over time – not ad hoc.
- > Requirement for a transparent market design.





# Final text of SOS Directive

## Infrastructure



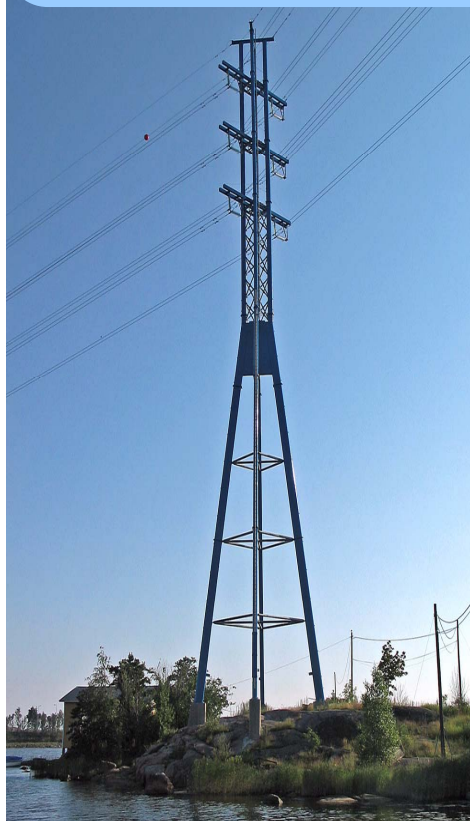
- Regulatory regime should encourage timely investment in networks including maintenance and renewal [Article 6]
  - Regulatory regime should give network operators performance objectives [Article 4(2)]
  - Commission to monitor and report on interconnection investment [Article 7(5)]
- > Requirement for a transparent market design.





# Final text of SOS Directive

## Reporting



- Extension and respecification of Reporting requirements in Article 4 of Directive 2003/54 [Article 7]
- Encourage participation of TSOs in this process. Including at European level.
- Extended reporting on interconnector projects
- > Objective to maintain vigilant approach to SOS and continued encouragement of additional capacities







# Timetable

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- **Adoption: second half 2005**
- **Entry into force and notification of measures: 1 December 2007**
- **Commission report on effect: 2009**
- **Encourage MS to comply ahead of this timetable, especially Article 5 – transparent market design. Many already do.**

