



European Commission DG Energy and Transport



Security of Supply Directive Update

**Florence forum
1.9.2005**

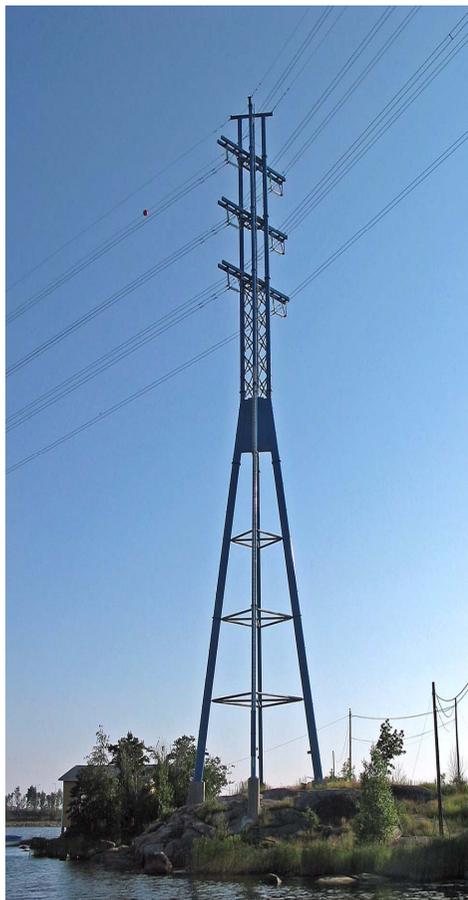
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Directorate General for Energy and Transport



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

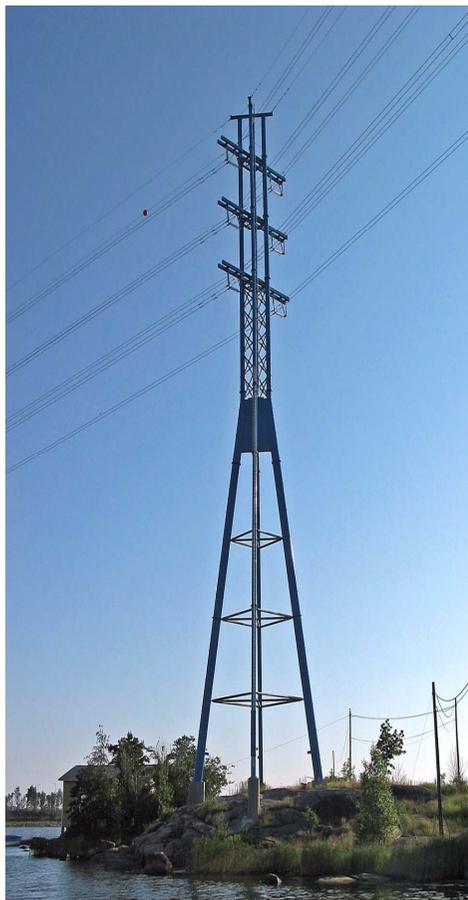


- Extension and respecification of Reporting requirements in Article 4 of Directive 2003/54 [Article 7]
 - Encourage participation of TSOs in this process. Including at European level.
 - Extended reporting on interconnector projects
- > Objective to maintain vigilant approach to SOS and continued encouragement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





Timetable



- **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.**

