

**Brussels, 17 April 2018**

## **CLEAN ENERGY PACKAGE: RECOMMENDATIONS FOR FINALISING THE ENERGY EFFICIENCY, RENEWABLES, GOVERNANCE AND ELECTRICITY MARKET DESIGN PROPOSALS**

### **EXECUTIVE SUMMARY**

By adopting the Paris Agreement on climate change and the UN 2030 Agenda for Sustainable Development in 2015, governments from around the world chose a more sustainable path for our planet and our economy. Energy plays a fundamental role in delivering the UN-Sustainable Development Goals and the Paris Agreement: **Finalising the remaining files of the clean energy package in a timely manner in 2018 and with a forward looking, truly sustainable attitude provides Europe with a unique opportunity:** creating a fresh boost to local jobs and growth in Europe and a win-win for all stakeholders - the planet, EU citizens and European industry.

In the light of the three objectives of the Clean Energy Package (namely: to prioritise energy efficiency, to achieve global leadership in renewable energy, and to provide a fair deal for consumers), **Orgalime calls on policy makers, and EU Member States in particular, to install the following key ambitions in the final pending clean energy files:**

- For the Energy Efficiency Directive (EED), we call for:
  - setting an **energy efficiency target of at least 30% simultaneously with** the increasing target for renewable energy sources (RES) and the related gap filling mechanisms in the **governance** proposal.
  - putting in place a **strong article 7** on energy savings obligations.
  - adopting the Commission proposal of a **Primary Energy Factor of 2.0**.
  - avoiding a regulatory gap by **making the deletion of articles 15(5) and 15(8) EED dependent on the final adoption of the corresponding new provisions in the market design** proposals.
  - Adopting in particular the following amendments of the [EP report led by Rapporteur Poche](#): 1, 4, 13, 16, 19, 25, 30, 38, 46, 47, 54/105/107, 70, 78, 80, 83, 84, 110rev/100.
- For the Governance Regulation, we call for:
  - setting in place **robust integrated national energy and climate plans and target corridors (“trajectories”)** that allow Member States to create tailor-made development paths adapted to their specific national situation.
  - combining these trajectories with **robust, concrete and effective gap-filling mechanisms** to avoid any ambition or delivery gap. Trajectories should have a **minimum of three reference points** and (draft) plans **should be reviewed every 5 years** to be aligned with the Paris Agreement’s review process.
  - establishing a **multi-level Climate and Energy Dialogue Platform** and making the online-platform of the Commission and Member States publicly accessible to ensure transparency and an early warning system of failure risks.
  - **implementing the Paris Agreement’s carbon budget in the EU** by adopting the EP’s respective amendment suggestions.

*Orgalime, the European Engineering Industries Association, speaks for 42 trade federations representing the mechanical, electrical, electronic, metalworking & metal articles industries of 23 European countries. The industry employs nearly 11 million people in the EU and in 2016 accounted for some €2,000 billion of output. The industry represents over a quarter of the output of manufactured products and over a third of the manufactured exports of the European Union.*

- **strengthening energy efficiency reporting.**
- adopting in particular the following amendments of the [EP report led by Rapporteurs Turmes and Rivasi](#): 26, 38, 49, 54, 59, 107, 113, 114, 122, 162, 163-173, 176, 185, 186, 187, 188, 190, 291, 292, 293, 309, 310.
- *For the Directive on energy from renewable sources (RES), we call for:*
  - a comprehensive approach of **combining increased RES ambition with increased energy efficiency ambition and effective gap filling mechanisms in the Governance proposal.**
  - strong **consumer empowerment** provisions, and
  - a **stable and reliable regulatory framework for RES in Europe for both, large and small-scale installations** that prepares Europe for the co-existence of centralised and decentralised electricity generation.
  - adopting in particular the following amendments of the [EP Report led by Rapporteur Lopez](#): 21, 26, 29, 47, 50, 56, 98, 149, 160, 177, 178, 179, 180, 182, 183, 184, 185, 186, 187, 188, 189, 196.
- *For the Electricity Regulation and Directive, we call for:*
  - setting in place a **more modern, competitive and flexible set of legislative arrangements to govern the generation, transmission, distribution and end use of electricity**, including the use of electricity infrastructure at both transmission and distribution level, so that the benefits of the Energy Union, the 2030 Energy and Climate Framework and Paris Agreement are indeed brought to consumers, businesses, industry and society as a whole.
  - preparing Europe for **successfully managing the coexistence of centralised and decentralised energy production.**
  - enabling Europeans **to manage energy according to real time information** with consumers at the core and resolving pending questions regarding data handling and data processing.
  - organising **an ecosystem with the necessary flexibility to allow this modernisation to happen in Europe.**
  - **for pushing for more regional cooperation**, requiring regulatory authorities to measure the performance of TSOs and DSOs in relation to the development of a smart grid & setting in place a more performance based remuneration of DSOs to incentivise investment into smart distribution grids.
  - adopting in particular the following amendments of the [EP ITRE report on the amended Electricity Regulation led by Rapporteur Karins](#): 17, 19, 20, 51, 52, 53, 78-81, 84, 91, 97 and 112.
  - adopting in particular the following amendments of the [EP ITRE report on the amended Electricity Directive led by Rapporteur Karins](#): 24, 25, 54, 63, 79, 82-84, 88 and 118-125.

With these follow up actions being taken whole-heartedly, we are convinced that the energy transition can succeed in Europe. In addition, taking them would be consistent and carry forward the results of the review of the Energy Performance of Buildings Directive to the remaining clean energy files (see [Orgalime position paper “carrying forward the tangible progress of the EPBD to the remaining clean energy files”](#) of February 2018). Orgalime industries stand ready as stakeholders to actively contribute to these decisive tasks ahead of Member States, which, in our view, will not only contribute to realising our energy, climate and environmental objectives, increase consumer satisfaction and overall societal well-being, but also secure the EU’s position as the home of leading-edge ICT-enabled industrial innovation, generating local jobs and growth in Europe.

Please find our detailed recommendations hereafter:

- CHAPTER 1: Proposal for an amended Energy Efficiency Directive (EED)
- CHAPTER 2: Proposal for a new Governance Regulation for the Energy Union
- CHAPTER 3: Proposal for a revised Directive promoting the use of energy from RES
- CHAPTER 4: Proposal for the amended Electricity Regulation and Electricity Directive

## **CHAPTER 1: PROPOSAL FOR AN AMENDED ENERGY EFFICIENCY DIRECTIVE (EED)**

### **1.1 “Energy Efficiency First” is more than a slogan - no cost efficient and secure clean energy transition can do without**

- Energy efficiency represents a real opportunity to move forward on implementing the Paris climate change agreement and UN-SDG7 in a cost-efficient manner, on improving living conditions for citizens, on creating an integrated modern energy system and creating a fresh boost to jobs and sustainable growth in Europe.
- In 2015, the EU saved 27bn dollars in energy imports thanks to energy efficiency, thereby reducing Europe’s import dependence from third countries such as Russia, Qatar or the US.
- Energy efficiency is the first and best choice to combat energy poverty as it reduces energy bills of people, business and countries.
- An increased target for renewable energy sources (RES) and for energy efficiency are mutually reinforcing in supporting a cost-efficient energy transition.
- Energy efficiency shows multiple benefits far beyond energy aspects and is essential for a cost-efficient energy transition in all market segments.

### **1.2 Increasing energy efficiency ambition in conjunction with an increased RES target and effective gap filling mechanisms in the governance proposal (article 1)**

Orgalime supported levelling up the existing energy efficiency target to an EU headline target of at least 30%, as the Commission proposal suggests in article 1 of the EED proposal. Considering that the Commission’s impact assessment and recent complementary economic modelling clearly demonstrate that a higher target could realise significantly higher benefits, Orgalime could also support a higher target. A comprehensive approach of combining increased RES ambition with increased energy efficiency ambition and effective gap filling mechanisms in the Governance proposal (please see also chapter 2 on Governance in this paper) matters for a cost-efficient energy transition: the higher the RES target, the more a higher energy efficiency ambition makes sense as energy efficiency decreases the overall investment costs of the energy transition while it increases security of supply. The governance regulation is indeed essential to build this bridge between the future RES and energy efficiency ambition mid to long-term and thereby it is the essential tool to support legal and investment certainty.

### **1.3 Any target is only as effective as the concrete measures that come with it (article 7)**

We fully support amending article 7 to extend the obligation of at least 1.5% annual energy savings beyond 2020 and make it clear that Member States can achieve the required energy savings through an energy efficiency obligation scheme, alternative measures, or a combination of both approaches. This provision is at the core of implementing the new energy efficiency target and should be as strong as possible to ensure concrete and timely results on the grounds. Early energy savings measures, which continue to deliver verifiable energy savings after 2020, should still be countable.

### **1.4 Introducing a Primary Energy Factor (PEF) of 2.0 to support the low-carbon transition (annex II)**

A lower PEF drives more uptake of electricity-based low carbon technology. We support the Commission’s proposal for a PEF factor of 2.0: it is fit to secure the necessary regulatory certainty for the ongoing implementation of the Ecodesign Directive and Energy Labelling Regulation on our sector and it supports further low carbon innovation in the EU’s building stock that accounts for more than 40% of the EU’s carbon emissions. In addition, the Commission proposal maintains the necessary flexibility for Member States when reporting on energy efficiency according to primary energy.

### Recommendations for finalising the EED proposal:

Orgalime advocates for a determined review of the EED to ensure consistency with the tangible result achieved for the Energy Performance of Buildings Directive (EPBD) as follows:

- Strengthen **the energy efficiency target of at least 30% in article 1 simultaneously with the increasing RES ambition and related gap filling mechanisms in the governance proposal.**
- Set in place **a strong article 7 on energy savings obligations** to pave the way for implementing the new strengthened energy efficiency target for 2030. Early energy savings measures, which continue to deliver verifiable energy savings after 2020, should still be countable.
- **Adopt a Primary Energy Factor of 2.0**, as proposed by the Commission and the Council.
- To avoid a regulatory gap, **delete articles 15(5) and 15(8) EED only as soon as the corresponding new provisions in the market design proposal are adopted** (that is chapter III of Electricity Directive, and article 15 on “Active Consumers” and article 17 on “Demand Response” in particular).
- Orgalime sees its recommendations well reflected in the [EP Report led by Rapporteur Poche](#). We invite the Council to seek a similar level of ambition in the final Directive and to **adopt the following amendments: 1, 4, 13, 16, 19, 25, 30, 38, 46, 47, 54/105/107, 70, 78, 80, 83, 84, 110rev/100.**

## **CHAPTER 2: PROPOSAL FOR A NEW GOVERNANCE REGULATION FOR THE ENERGY UNION**

A reliable and transparent energy and climate governance to ensure that energy and climate related actions at EU, regional, national and local level all contribute to the implementation of the Paris Agreement and the EU Energy Union’s objectives, is essential for the success of the clean energy transition.

Orgalime supports setting in place a strong governance framework with a new monitoring and reporting structure at its core to implement the Paris Agreement and Energy Union through coordinated actions, both legislative and non-legislative, at EU and national level that are coherent, complementary, sufficiently ambitious and taken on time. For businesses, a robust governance framework creates the necessary transparency and regulatory certainty that enables investment decisions.

### **2.1 Establishing national energy and climate plans and target corridors within a multi-level approach**

#### **Articles 1 and 24 - National energy and climate plans and target corridors (trajectories):**

The elaboration of the national plans is particularly important for the success of the Governance Regulation to establish the long-term strategies and actions to implement the Paris Agreement and the measures and strategies to implement the EU’s 2030 energy and climate objectives (EP amendment 49). These set the level of ambition and actions to be taken to implement the Paris Agreement and to collectively realise the new 2030 energy and climate targets. A detailed description of the planned national objectives, targets and investment strategies on contributions to the five dimensions of the Energy Union and the regulatory and non-regulatory barriers to delivering on these is most important for effective national plans (EP amendment 59).

The embodiment of requirements for national plans should allow to set national target corridors, which can create tailor-made development paths for Members States regarding their specific national situation. Those tailor-made paths are especially relevant for ensuring a progressive trajectory for the regular deployment of renewable energy (EP amendment 291).

Therefore, this trajectory should consist of a minimum of three reference points calculated as an average of the two or three preceding years (EP amendment 292).

Regarding the timeline and review processes, re-adjustments are crucial to address any ambition and delivery gap. A review every five years (EP amendment 107) in our view allows sufficient time for the necessary solid dialogues between the Commission, Member States and other stakeholders and to take account of the undergoing technical developments. A five years review period is also in line with the timeline of national reports under the Paris Agreement.

**Articles 1, 3, 11 & 24 - A multi-level approach for the preparation of national plans:**

The implementation of the Governance Regulation requires a multi-level approach and an iterative process. By structured partnerships and cooperation between all Member States (EP amendment 49) at macro-regional and regional level, which consider all existing and potential forms of cooperation (EP amendment 114), Member States have the possibility, in accordance with their national situations, to work out common measures to ensure the achievement of the EU 2030 objectives.

An online platform between the Commission and Member States is in our view an effective tool to promote cooperation and communication among those stakeholders. For transparency reasons this e-platform as well as the national climate and energy plans should indeed be made available to the public (EP amendments 59 and 162).

**Article 10.a(new) - Stakeholder involvement and transparency throughout the process by establishing a multi-level Climate and Energy Dialogue Platform:**

We welcome and fully support the proposal to establish a multi-level Climate and Energy Dialogue Platform (amendments 26, 38, 113) in the spirit of partnership and to support active engagement of local authorities, civil society organisations, the business community, investors, any other relevant stakeholders and the general public in managing the energy transition.

Structured partnerships and cooperation between all Member States, the Commission and stakeholders are essential for a successful energy transition.

**Article 13.a (new): implementing the Paris Agreement's carbon budget in the EU**

The implementation of a carbon budget that is consistent with pursuing efforts to limit the temperature increase to well below 2°C, in particular 1.5°C, above pre-industrial levels (EP amendment 122) under the Paris agreement is essential for the long-term EU climate and energy strategies and should therefore be supported.

## 2.2 Gap filling mechanisms to avoid any ambition and delivery gap

**Articles 27 and 28 require strengthening to ensure fair burden sharing among Member States:**

Orgalime advocates that the Commission's powers of issuing recommendations on draft national and energy plans should not be limited to recommendations of non-quantitative nature, as this would restrict the EU's ability to close delivery gaps. We acknowledge that this was partly taken into account and recommend to at least include the following provisions in the final governance regulation:

- The Commission shall assess the draft plans and make country-specific recommendations to Member States (EP amendment 107).
- If the Commission concludes that Member States' targets are insufficient to meet the 2030 energy and climate targets, it should, based on objective criteria (EP amendment 310) request Member States to increase their level of ambition in their national plans (EP amendment 309) and make use of relevant empowerments at Union level (EP amendment 176).
- If the Commission concludes, based on its assessment, that the progress made by Member States is insufficient with regard to promoting renewable energy, the Commission shall take additional measures at EU level (EP amendment 185).

In the area of energy efficiency, any emerging gap to a Member State's trajectory should be covered by national additional measures within one year (EP amendment 186).

- The revision and adjustment of national plans regarding their level of ambition is crucial for achieving the 2030 Union targets. However, Member States are not obliged to follow these recommendations. It is therefore highly important that Member States report on how they have taken account of the Commission's recommendations and how they have implemented or intend to implement them. Furthermore, Member States should provide reasons where they deviate from it (EP amendment 188).
- The proposed financing platform should be strengthened and therefore be binding rather than voluntary. As it is designed as a financing platform at EU level, the Commission should in our view retain the right to implement the platform rather than Members States, and chose conveyable projects in a transparent and public process.

#### Recommendations for finalising the Governance proposal:

- Set in place **robust integrated national energy and climate plans and target corridors ("trajectories")** that allow Member States to create tailor-made development paths adapted to their specific national situation, combined with a robust, concrete and effective gap-filling mechanism to avoid any ambition or delivery gap. Trajectories should have a minimum of three reference points and (draft) plans should be reviewed every 5 years.
- Establish a **multi-level Climate and Energy Dialogue Platform** and make the online-platform of the Commission and Member States publicly accessible to ensure transparency and support an early warning system of failure risks throughout the process.
- **Implement the Paris Agreement's carbon budget in the EU** by adopting the EP's carbon budget amendment suggestions.
- **Strengthen energy efficiency reporting.**
- Orgalime sees its recommendations widely reflected in the [EP Report lead by Rapporteurs Turmes and Rivasi](#). We invite the Council to seek a similar level of ambition in the final Directive and to **adopt the following amendments: 12, 26, 38, 49, 54, 59, 63, 67, 68, 73-77, 82 - 87, 101, 102, 107, 109, 110, 113, 114, 121, 122, 123, 125, 129, 141, 147, 149, 150, 151, 162, 163-173, 176, 178, 185, 186, 187, 188, 190, 191, 192, 204, 277, 291, 292, 293, 294 309, 310.**

## CHAPTER 3: PROPOSAL FOR A REVISED DIRECTIVE PROMOTING THE USE OF ENERGY FROM RENEWABLE SOURCES (RES)

As new RES technologies have become mature, are ever more cost efficient and are offering ample opportunities for all Europeans to enjoy, we are calling for policy makers' to fully exploit the potential of all RES, including renewable heating energy, to empower consumers, to reward them for the flexibility they provide to the energy system, and to allow Europe to successfully manage the future co-existence of 50% centralised and 50% decentralised energy production in 2030.

### 3.1 Article 3: Increasing Europe's RES ambition in line with the Paris Agreement

Orgalime supports increasing the EU's RES ambition beyond 27% and reiterates that a comprehensive approach of combining increased RES ambition with increased energy efficiency ambition and effective gap filling mechanisms in the Governance proposal matters for a cost-efficient energy transition: the higher the RES target, the more a higher energy efficiency ambition makes sense as energy efficiency decreases the overall investment costs of the energy transition while it increases security of supply.

### 3.2 Articles 19, 21-24: Consumer empowerment provisions

Orgalime supports:

- giving the right to consumers to self-produce, self-consume, individually or through aggregators, and to sell surplus electricity to the grid against a remuneration that reflects market value (article 21 RES)
- giving the right for renewable energy communities to generate, consume, store and sell renewable energy (article 22 RES)
- mainstreaming renewable energy into heating and cooling installations, and setting an annual 1% increase in share of RES energy in heating and cooling supply (article 23)
- empowering consumers with information of district heating energy performance (article 24) and guarantees of origin of electricity, heating and cooling produced from RES (article 19 RES)

### 3.3 Articles 4-6: A stable and reliable regulatory framework for RES in Europe

To ensure a business-friendly environment for investors to increase the uptake of renewable energies in Europe, we support the principle of no retroactivity on support schemes, as introduced by article 6.

Also, article 4 Paragraph 2 (c) and Article 11 Paragraph 4, sentence 1 in the Electricity Regulation regarding the grandfathering clause on priority dispatch and balancing exemptions are crucial for investor confidence and should be supported.

Removing priority dispatch and enforcing balancing requirements on small installations would in our view be disproportionate and reduce the uptake of small-scale renewable installations. This goes against the key pillars of the Clean Energy Package and the EU Energy Union, such as boosting energy efficiency, making Europe number one in renewable energy and empowering energy consumers. We support the Commission proposals for articles 11 and 12 of the Electricity Regulation on priority dispatch, re-dispatching and curtailment, which still allow priority dispatch for small installations and demonstration plants (see our recommendations in annex 4).

#### Recommendations for finalising the RES Directive:

Orgalime recommends:

- a comprehensive approach of **combining increased RES ambition with increased energy efficiency ambition and effective gap filling mechanisms in the Governance proposal.**
- strong **consumer empowerment** provisions, and
- a **stable and reliable regulatory framework for RES in Europe for both, large and small-scale installations** that prepares Europe for the co-existence of centralised and decentralised electricity generation.
- Orgalime sees many of its positions well reflected in the [EP Report led by Rapporteur Lopez](#). We invite the Council to seek a similar level of ambition in the final Directive and to **adopt the following amendments: 21, 26, 29, 47, 50, 56, 98, 149, 160, 177, 178, 179, 180, 182, 183, 184, 185, 186, 187, 188, 189, 196.**

## CHAPTER 4: PROPOSALS FOR AN AMENDED ELECTRICITY REGULATION AND AMENDED ELECTRICITY DIRECTIVE

Considering the irreversible trend of decarbonisation, digitisation and decentralisation and considering the rapid evolution at global scale, it is urgent to adapt Europe's legislative environment to these new realities:

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new technologies have become mature, are ever more cost efficient and offer ample opportunities for consumers, private and professional, to actively engage in the energy market and for citizens to enjoy a higher standard of living and overall well-being.

There is no doubt that a well-functioning integrated energy market is the best tool to guarantee affordable energy, security of supply and overall environmental sustainability of Europe's energy system: Orgalime believes in a truly integrated, competitive, consumer centred, flexible, efficient, decarbonised and more decentralised electricity market to deliver clean, affordable and secure electricity for all Europeans.

#### 4.1 Proposal for an amended Electricity Regulation

**Capacity mechanisms (articles 3, 18 and 23)** are subsidies, which should be applied only as a last resort specifically in a generation overcapacity situation. Adequacy assessments should establish that the adequacy concern exists at Member State and European level and resource adequacy should be first ensured without additional recourse to capacity mechanisms, via one or more of the following: (a) additional renewable energy generation capacity; (b) energy efficiency; (c) demand-side response; (d) storage; (e) interconnection (see amendments 17, 19, 20, 91, 97 and 112 of EP report on the Electricity Regulation).

Technology now allows new actors to become active on the electricity markets. Therefore, the market design must allow and facilitate inclusion of everyone that can and is willing to participate, whether it is through self-generation, storage, or demand response (amendments 51, 52 and 53 of the EP report on the Electricity Regulation). **Articles 11 and 12 of the Electricity Regulation on priority dispatch, re-dispatching and curtailment** allow priority dispatch for small installations and demonstration plants, as the Commission suggests and we support it together with EP amendments 51, 52, 53.

**Charges applied by network operators for access to networks (article 16)**, including charges for connection to the networks should be transparent, take into account the need for network security and flexibility and reflect actual costs incurred.

They should be applied in a way which does not discriminate between production connected at the distribution level and production connected at the transmission level. They should not discriminate against energy storage, specifically not double charging energy storage, and aggregation and should not create disincentives for self-generation, self-consumption, nor for participation in demand response. Distribution System Operators (DSOs) should be incentivised to invest into smart (distribution) grids. Time differentiated network tariffs should be introduced (see amendments 78, 79, 80, 81 and 84 of the EP report on the Electricity Regulation).

#### 4.2 Proposal for an amended Electricity Directive

The electricity market of the next decade will be characterised by more variable and decentralised electricity production and by strong potential deployment of new technological opportunities for consumers. These will allow consumers to reduce their bills and actively participate directly or through communities and aggregators in electricity markets through demand response, self-generation, self-consumption and storage.

The existing market rules are based on the predominant generation technologies of the last decade, i.e. centralised, large-scale fossil fuel-based power plants with limited participation of consumers and so need to be adapted to take account of the new electricity landscape. Fully integrating industrial, commercial and residential consumers into the energy system can avoid significant costs in generation and grid costs, which consumers would otherwise end up paying. It even allows consumers to benefit from price fluctuations and to earn money through participation in the market. Activating consumer participation is therefore a prerequisite for managing the energy transition successfully and in a cost-effective way.

Industrial, commercial and residential consumers should be enabled to participate in all forms of demand response and therefore should have the possibility to opt for having a smart metering system and a dynamic electricity pricing contract.

Industrial, commercial and residential consumers should also be able to consume, store and/or sell self-generated electricity to the market as well as their flexibility through grid demand management.

Today, more than 90% of variable renewable electricity sources are connected to distribution grids, Allowing DSOs to manage some of the challenges associated with variable generation more locally (e.g. by managing local flexibility resources) could significantly reduce network costs.

DSOs should procure services from resources such as distributed generation, demand response or storage and consider energy efficiency measures, which may supplant the need to upgrade or replace electricity capacity and which support the efficient and secure operation of the distribution system. DSOs should procure these services according to transparent, non-discriminatory and market based procedures. Also, DSOs should cooperate on a non-discriminatory basis with any undertaking that owns, develops, operates or manages recharging points for electric vehicles, including connection to the grid (see amendments 118-125 of the EP report).

#### Recommendations for finalising the Electricity Regulation:

- Regarding **capacity mechanisms**, we recommend adopting the following amendments of the [EP ITRE report on the Electricity Regulation led by Rapporteur Karins](#):
  - **amendments 17,19 and 20** on article 3
  - **amendments 91 and 97** on article 18, and
  - **amendment 112** on article 23.
- Articles 11 and 12 of the Electricity Regulation on **priority dispatch, re-dispatching and curtailment** allow priority dispatch for small installations and demonstration plants, as the Commission suggests and should be supported together with **EP amendments 51, 52, 53**.
- **Amendments 78, 79, 80, 81, and 84** on article 16 on **charges for access to networks** should be adopted.

#### Recommendations for finalising the Electricity Directive:

- Regarding the **definitions of “active consumer” and “local energy community”** (article 2), the Commission proposal together with **amendments 24 and 25** of the [EP ITRE report on the amended Electricity Directive lead by Rapporteur Karins](#) should be adopted.
- Article 11 on **dynamic price contracts** of the Commission proposal should be adopted together with **EP amendment 54**.
- **EP amendment 63** on article 15 strengthens consumer empowerment and should be adopted.
- Regarding article 16 on **local energy communities**, **EP amendment 79** should be preferred over other amendments on article 16 and adopted together with the Commission proposal.
- Regarding article 17 on **demand response**, **EP amendment 82, 83, 84 and 88** should be preferred over other amendments and adopted together with the Commission proposal.
- Regarding the role and responsibilities of DSOs, **EP amendments 118-125** should be adopted together with the Commission proposal.

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