

European Parliament's ITRE Committee vote on market design – half-baked and lukewarm on protection of energy citizens

21 February 2017 – Press Release

Brussels, 21 February 2017 - The European Parliament's ITRE (Industry, Trade, Research and Energy) Committee voted to approve legislative rules for Europe's new market design earlier today. Two pieces of legislation in particular, the Electricity Regulation and Electricity Directive, will determine the extent to which energy communities and active customers have access to an equal playing field across Europe's energy market.

The provisions cover rules on, among other things, a definition for 'local energy community', specific rights and duties for energy communities, under what conditions energy communities can operate local energy infrastructure such as micro-grids, consumer protection measures, and who pays for the grid. The provisions also cover rules for 'active customers' that want to participate in the market through self-consumption and/or demand response.

A far cry from the Parliament's final position on the renewable energy directive, the ITRE committee's vote signals a lukewarm attitude towards citizens participating in the energy transition. The Rapporteur for the files, Latvian Krišjānis Kariņš of the European People's Party (EPP) left citizen energy issues until the end of a very rushed and disorganized process, and obstructed any meaningful efforts to strengthen the Commission's proposals, which require several clarifications and improvements.

The committee did the right thing when it comes to getting rid of subsidies for dirty fossil fuels. However, it neglected a significant opportunity to show strong support for citizen participation in Europe's energy transition, even voting down measures to enhance transparency for citizens that want to become active, and to prevent greenwashing by suppliers that claim to sell renewable electricity.

Dirk Vansintjan, President of REScoop.eu, explains: "we are very surprised that the same committee that expressed support for energy democracy on renewables could pay so little attention to the most fundamental market rules that will determine whether citizens and communities actually have space to operate with the larger players." Going further, Vansintjan said, "it is clear that the large energy companies that have been fighting to keep citizens and communities out of the market are being supported to carry out the energy transition."

Even worse is that moral objections can be raised, mainly democratic in nature, about the process that led to this decision. The EPP managed to prevent any further clarification or strengthening of the text by side-stepping the normal process of having the ITRE committee's amendments voted on by the rest of the Parliament. The EPP also used last-minute tactics to avoid 'separate votes' for amendments that were not part of the compromise agreed in ITRE.

"What we have seen here is a clear attempt to silence energy democracy, and in some disturbing ways, the democratic process itself. Elected European representatives have been prevented from carrying out their duties," Vansintjan explains.

The ITRE Committee's report will now go to the Plenary of the European Parliament, where it will confirm the Rapporteur's mandate to negotiate with the Council in Trilogues.

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