



SIEMENS



Brussels, 24<sup>th</sup> of April 2017

**To:**

Dr. Krišjānis Kariņš, Rapporteur on the Proposal for a Regulation of the European Parliament and of the Council on the Internal Market for Electricity

Ms. Martina Werner, Shadow Rapporteur

Ms. Kaja Kallas, Shadow Rapporteur

Mr. Claude Turmes, Shadow Rapporteur

Dr. Zdzisław Krasnodębski, Shadow Rapporteur

Ms. Cornelia Ernst, Shadow Rapporteur

Mr. Dario Tamburrano, Shadow Rapporteur

Ms. Barbara Kappel, Shadow Rapporteur

Dr. Pavel Poc, Opinion Draftsperson – Committee on Environment, Public Health and Food Safety

**CC:**

Mr. Maroš Šefčovič, Vice-President of the European Commission, Energy Union

Mr. Miguel Arias Cañete, Commissioner, Climate Action & Energy

Mr. Dominique Rostorfer, Director-General, European Commission, DG Energy

Mr. Jerzy Buzek, Chair of the Committee on Industry, Research and Energy

Mr. Konrad Mizzi, Minister within the Office of the Prime Minister of Malta

Ms Kadri Simson, Estonian Minister for Economic Affairs and Infrastructure

**"Europe's electricity market design needs to be fully consistent with the EU climate strategy"**

Dear Dr. Kariņš, dear Members of the European Parliament,

Ahead of the ITRE Committee's first exchange of views on the reform of the Electricity Market Design, we would like to bring to your attention the need to ensure consistency between the new legislation and the EU energy and climate policy.

The Commission's proposal for a carbon eligibility criterion in the Regulation on the Internal Market for Electricity<sup>1</sup> is a step in the right direction, which we encourage you to support.

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<sup>1</sup> Art. 23.4, Proposal for a Regulation of the European Parliament and of The Council on The Internal Market for Electricity (page 58).

Our electricity bills should not support the operation of the most polluting power plants, given that cleaner supply options are available. This would clearly contradict EU climate and energy policy objectives and would go against the best interest of European consumers.

As proposed by the European Commission, making the eligibility for capacity mechanisms conditional to a 550g CO<sub>2</sub>/kWh carbon criterion is transparent and in line with the European Investment Bank's investment rules<sup>2</sup>. It is also technology neutral: plants with higher CO<sub>2</sub> emissions will still be able to operate in the market, simply paying for their emissions in the frame of the EU Emission Trading Scheme (ETS).

The carbon criterion would complement the ETS. The ongoing ETS reform is critical to deliver a meaningful carbon price signal to drive the switch towards lower carbon power generation. Europe's Emission Trading Scheme puts a price on carbon, while the criterion prevents capacity mechanisms from rewarding the highest emitting plants.

We hope that these considerations will make a positive contribution to the ongoing parliamentary debate on the Clean Energy Package and we would be pleased to provide you with any additional information you may require.

Kind regards,

Fabio Marchetti  
Senior Vice-President – Head of European  
Government Affairs  
**Eni**

Clemens Betzel  
Head of Government Affairs Europe  
**Siemens**

Carmen Vindel  
Director of European Regulation  
**Gas Natural Fenosa**

James Watson  
Chief Executive Officer  
**Solar Power Europe**

Julio Castro  
EVP Regulation  
**IBERDROLA – Group**

Trond Enge  
Country Manager –  
**Statoil Belgium**

Ivan Martin  
Head of EU Affairs  
**Shell**

Arnaud Chaperon  
Vice President European Public Affairs  
**Total**

Domenico Maggi  
Head of EU Affairs  
**SNAM**

Giles Dickson  
Chief Executive Officer  
**WindEurope**

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<sup>2</sup> [http://www.eib.org/attachments/thematic/eib\\_group\\_sustainability\\_overview\\_2013\\_en.pdf](http://www.eib.org/attachments/thematic/eib_group_sustainability_overview_2013_en.pdf);  
<http://www.eib.org/attachments/press/20161112-eib-finance-climate-action-opening-speech-cop-22-fr.pdf>