

*Article 1*

**Amendments to Regulation (EU) 2019/943**

Regulation (EU) 2019/943 is amended as follows:

(1) Article 1 is amended as follows:

*(-a) point (a) is replaced by the following:*

*‘(a) set the basis for an efficient achievement of the objectives of the Energy Union and the objective to achieve climate neutrality by 2050 at the latest, in particular the climate and energy framework for 2030 by enabling market signals to be delivered for increased efficiency, higher share of renewable energy sources, security of supply, flexibility, system integration through multiple energy carriers, sustainability, decarbonisation and innovation;’*

(a) point (b) is replaced by the following:

‘(b) set fundamental principles for well-functioning, integrated electricity markets, which allow all resource providers and electricity customers non-discriminatory market access, enable the development of forward electricity markets to allow suppliers and consumers to hedge or protect themselves against the risk of future volatility in electricity prices, empower **and protect** consumers, ensure competitiveness on the global market, enhance **security of supply and** flexibility through demand response, energy storage and other non-fossil flexibility solutions, ensure energy efficiency, facilitate aggregation of distributed demand and supply, and enable market and sectoral integration and market-based remuneration of electricity generated from renewable sources;’

(b) the following point is added:

- ‘(e) support long-term investments in renewable energy generation, **flexibility and grids to** enable consumers **█** to make their energy bills **affordable and** less dependent from fluctuations of short-term electricity market prices, in particular fossil fuel prices in the medium to long-term;
- (ea) set a framework for the adoption of measures to address electricity price crisis;’**

(2) In Article 2, the following points are added:

- ‘(72) ‘peak hour’ means an hour **where, based on the forecasts of transmission system operators and, where applicable, nominated electricity market operators, the gross electricity consumption or the gross consumption** of electricity generated from **sources other than renewable sources as referred to in Article 2(1) of Directive (EU) 2018/2001 of the European Parliament and of the Council or the day-ahead wholesale electricity price are expected to be the highest**, taking cross-zonal exchanges into account;
- (73) ‘peak shaving’ means the ability of market participants to reduce electricity consumption **from the grid** at peak hours **at the request of the** system operator;
- (74) ‘peak shaving product’ means a market-based product through which market participants can provide peak shaving to **█** system operators;
- (75) ‘**regional** virtual hub’ means a non-physical region covering more than one bidding zone for which **a reference** price is set in application of a methodology;

(76) ‘two-way contract for difference’ means a contract signed between a power generating facility operator and a counterpart, usually a public entity, that provides both minimum remuneration protection and a limit to excess remuneration; █

(77) ‘power purchase agreement’ or ‘PPA’ means a contract under which a natural or legal person agrees to purchase electricity from an electricity producer on a market basis;

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(79) ‘dedicated *measurement* device’ means a device *linked* to or embedded in an asset that *provides* demand response or flexibility services on the electricity market or to transmission and distribution system operators;


(80) ‘flexibility’ means the ability of an electricity system to adjust to the variability of generation and consumption patterns and grid availability, across relevant market timeframes.’’

(2a) *In Article 2, point (22) is replaced by the following*

(22) *‘capacity mechanism’ means a measure to ensure the achievement of the necessary level of resource adequacy by remunerating resources for their availability, excluding measures relating to ancillary services or congestion management;*

(3) Article 7 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. Transmission system operators and NEMOs,  shall jointly organise the management of the integrated day-ahead and intraday markets in accordance with Regulation (EU) 2015/1222. Transmission system operators and NEMOs shall cooperate at Union level or, where more appropriate, at a regional level in order to maximise the efficiency and effectiveness of Union electricity day-ahead and intraday trading. The obligation to cooperate shall be without prejudice to the application of Union competition law. In their functions relating to electricity trading, transmission system operators and NEMOs shall be subject to regulatory oversight by the regulatory authorities pursuant to Article 59 of Directive (EU) 2019/944 and ACER pursuant to Articles 4 and 8 of Regulation (EU) 2019/942 ***and the transparency obligations and effective supervision against market manipulation as laid down in the relevant provisions in Regulation [REMIT II].***’

(b) paragraph 2 is amended as follows:

(i) point (c) is replaced by the following:

‘(c) maximise the opportunities for all market participants to participate in cross-zonal and intra-zonal trade in a non-discriminatory way and as close as possible to real time across and within all bidding zones; ’

(ii) the following point (ca) is inserted:

*‘(ca) be organised in such a way as to ensure the sharing of liquidity between all NEMOs, at all times, both for cross-zonal and for intra-zonal trade. For the day-ahead market, from one hour before the gate closure time until the latest point in time where day-ahead trade is allowed, NEMOs shall both submit all orders for day-ahead products or products with same characteristics to the single day-ahead coupling and shall not organise trading with day-ahead products or products with same characteristics outside the single day-ahead coupling. For the intraday market, from the single intraday coupling gate opening time until the latest point in time when intraday trading is allowed in a given bidding zone, NEMOs shall both submit all orders for intraday products and products with same characteristics to the single intraday coupling and NEMOs shall not organise trading with intraday products or products with same characteristics outside the intraday coupling. This obligation shall apply to NEMOs and to undertakings which directly or indirectly exercise control over a NEMO and to undertakings which are directly or indirectly controlled by a NEMO.*

*(f) be transparent and, where applicable, provide information by generation units while at the same time protecting the confidentiality of commercially sensitive information and ensuring trading occurs in an anonymous manner;’*

(4) the following Articles **■** are inserted:

‘ Article 7a

Peak shaving product

1. ***Where a regional or Union-wide electricity price crisis is declared in accordance with Article 66a of Directive (EU) 2019/944, and without prejudice to Article 40(5) and (6) of thereof Member States may request system operators to propose the procurement of peak shaving products in order to achieve a reduction of electricity demand during peak hours. Such procurement shall be limited to the duration set out in the decision adopted pursuant to Article 66a (1) of Directive (EU) 2019/944.***
2. ***When requested pursuant to paragraph 1, system operators shall, after consulting stakeholders, submit a proposal **■** setting out the dimensioning and conditions for the procurement and activation of the peak shaving product to the regulatory authority of the Member State concerned for its approval.***
- 2a. ***The concerned national regulatory authority shall assess the proposal in terms of achieving a reduction of electricity demand and impact on wholesale electricity price during peak hours. The assessment shall take into consideration the need for the peak shaving product not to unduly distort the functioning of the electricity markets, and not to cause a redirection of demand response services towards peak shaving products. Based on this assessment, the regulatory authority may request the system operator to amend the proposal.***

2b. *The proposal for peak shaving product* shall comply with the following requirements:

- (a) the dimensioning of the peak shaving product shall be based on an analysis of the need for an additional service to ensure security of supply ***without endangering grid stability, of its impact on the market and of its expected costs and benefits***. The dimensioning shall take into account the forecast of demand, the forecast of electricity generated from renewable energy sources, the forecast of other sources of flexibility in the system, ***such as energy storage, and the wholesale price impact of the avoided dispatch***. The dimensioning of the peak shaving product shall be limited to ensure that ***forecasted costs*** do not exceed the ***expected benefits of the product***;
- (b) the procurement of a peak shaving product shall be based on objective, transparent, ***market-based*** , non-discriminatory criteria and be limited to demand response; ***It shall not exclude participating assets from accessing other markets***;
- (c) the procurement of the peak shaving product shall take place using **■** competitive bidding, ***which can be continuous***, with selection based on the lowest cost of meeting pre-defined technical and environmental criteria ***and shall allow the effective participation of consumers, directly or through aggregation***;
- (ca) ***the minimum bid size shall not be higher than 100 kW, including through aggregation***;
- (d) contracts for a peak shaving product shall not be concluded more than ***a week*** before its activation **■** ;

- (e) the activation of the peak shaving product shall not reduce cross-zonal capacity;
  - (f) the activation of the peak shaving product shall take place *before or within* the day-ahead market and *may be done based on a predefined electricity price*;
  - (g) the *activation of* peak shaving product shall not imply starting *fossil fuel-based* generation located behind the metering point, *avoiding the increasing of greenhouse gas emissions*.
3. The actual reduction of consumption resulting from the activation of a peak shaving product shall be measured against a baseline, reflecting the expected electricity consumption without the activation of the peak shaving product. *Where a system operator procures a peak shaving product, it shall develop a baseline methodology in consultation with market participants and, where relevant, taking into account the Implementing Act adopted pursuant to Article 59.1.e, and submit it to the regulatory authority for its approval.*
4. Regulatory authorities shall approve the proposal of the ■ system operators seeking to procure a peak shaving product and the baseline methodology submitted in accordance with paragraphs 2 and 3 or shall request the ■ system operators to amend the proposal where it does not meet the requirements set out in these paragraphs.
- 4a. *By six months after the end of a crisis, the Agency shall assess the impact of using peak shaving products on the European electricity market, after consulting stakeholders. The assessment shall take into consideration the need for these products not to unduly distort the functioning of the electricity markets, and not to cause a redirection of demand response services towards peak shaving products. The Agency may issue recommendations that national regulatory authorities shall take into account in their assessment pursuant to paragraph 2a.*



- 4b. *By 30 June 2025, the Agency shall assess the impact of developing peak shaving products on the European electricity market under normal market circumstances, after consulting stakeholders. The assessment shall take into consideration the need for these products not to unduly distort the functioning of the electricity markets, and not to cause a redirection of demand response services towards peak shaving products. Based on this assessment, the Commission may submit a legislative proposal to amend this Regulation in order to introduce peak shaving products outside electricity price crisis situations.*

Article 7b

Dedicated *measurement* device

1. *Without prejudice to Article 19 of Directive (EU) 2019/944, transmission and distribution system operators, and relevant market participants including independent aggregators, may use, upon the consent of the final customer, data from dedicated *measurement* devices for the observability and settlement of demand response and flexibility services, including from storage systems. This use of data from dedicated metering devices for the purposes of this article should be in accordance with article 23 and 24 of Directive (EU) 2019/944 and relevant Union legislation, including data protection and privacy law, in particular Regulation (EU) 2016/679. In case the data are used for research purposes, information shall be aggregated and anonymised.*

- 1a. Where a final customer does not have a smart meter installed or where the smart meter of a final customer does not deliver the necessary data to provide demand response or flexibility services, including through an independent aggregator, transmission system operators and distribution system operators shall accept the data from a dedicated measurement device, where available, for the settlement of demand response and flexibility services, including storage systems, and shall not discriminate against that final customer in their procurement of flexibility services. This obligation shall apply upon the establishment and subject to compliance with the rules and requirements established by the Member States pursuant to paragraph 3.*
2. Member States shall establish requirements for a dedicated *measurement* device data validation process to check and ensure the quality *and consistency* of the respective data, *and interoperability, in accordance with Articles 23 and 24 of Directive (EU) 2019/944 and relevant Union legislation.* ■
- (5) Article 8 is amended as follows:
- (a) paragraph 1 is replaced by the following:
- ‘1. NEMOs shall allow market participants to trade energy as close to real time as possible and at least up to the intraday cross-zonal gate closure time. **From 1 January 2026**, the intraday cross-zonal gate closure time shall *not be more than 30 minutes ahead of real time.*

*The regulatory authorities of a Member State may, at the request of the relevant transmission system operator, grant a derogation from the requirement in the first subparagraph until 1 January 2029. The request shall be submitted to the regulatory authority concerned and shall include:*

- (a) an impact assessment, taking into account feedback from relevant NEMOs and market participants, in accordance with Article 9 of Regulation (EU) 2015/1222, demonstrating the negative impacts of such a measure on the security of supply in the national electricity system, cost-efficiency including in relation to existing balancing platforms in accordance with Regulation (EU) 2017/2195, integration of renewable energy and greenhouse gas emissions; and*
- (b) an action plan aiming to shorten the intraday cross-zonal gate closure time to 30 minutes by no later than 1 January 2029.*

*The regulatory authority may, at the request of the relevant transmission system operator, grant a further derogation from the requirement referred to in the first subparagraph by a maximum of 2,5 years counting from the expiry of the period referred to in the second subparagraph. The request from the relevant transmission system operator shall be submitted to the regulatory authority of the requesting transmission system operator, the ENTSO for Electricity and ACER no later than 30 June 2028 and shall include:*

*(a) a new impact assessment justifying the need for a further derogation, based on risks to the security of supply in the national electricity system, cost-efficiency, the integration of renewable energy and greenhouse gas emissions, taking into account feedback from market participants and NEMOs; and*

*(b) a revised action plan to shorten the intraday cross-zonal gate closure time to 30 minutes by the date for which extension is requested and no later than the date requested for the derogation.*

*ACER shall issue an opinion on the cross-border impact of a further derogation within six months of receipt of a request for such derogation. The regulatory authority concerned shall take that opinion*

*into account before deciding upon a request for further derogation.*

*By 1 December 2027, the Commission, after consulting NEMOs, ENTSO for Electricity, ACER and relevant stakeholders, shall submit a report to the European Parliament and to the Council assessing the impact of the implementation of the decreasing of the cross-zonal gate closure time established in this Article, the costs and benefits, the feasibility and practical solutions towards further decreasing it in order to allow market participants to trade energy as close to real time as possible. The report shall consider the impacts on the electricity system security, the cost-efficiency, the benefits to the integration of renewable energy and to the reduction of greenhouse gas emissions.; ’*

(b) paragraph 3 is replaced by the following:

‘3. NEMOs shall provide products for trading in day-ahead and intraday markets which are sufficiently small in size, with minimum bid sizes of **100 kW** or less, to allow for the effective participation of **demand** response, energy storage and small-scale renewables including direct participation by customers, *as well as through aggregation.*.’

(6) Article 9 is replaced by the following:

‘ Article 9

Forward markets

1. *In accordance with Regulation (EU) 2016/1719, transmission system operators shall issue long-term transmission rights or have equivalent measures in place to allow market participants, including owners of power-generating facilities using renewable energy, to hedge price risks, unless an assessment of the forward market on the bidding zone borders performed by the relevant competent regulatory authorities shows that there are sufficient hedging opportunities in the concerned bidding zones.*
2. *Long-term transmission rights shall be allocated, on a regular basis, in a transparent, market based and non-discriminatory manner through a single allocation platform. The frequency of allocation and the maturities of the long-term cross-zonal capacity shall support the efficient functioning of the forward market.*
3. *The design of the Union's forward market shall comprise the necessary tools to improve the ability of market participants to hedge price risks in the internal electricity market. █*
4. *Within 18 months from the entry into force of this amending Regulation, the Commission shall, after having consulted relevant stakeholders, assess the impact of possible measures to achieve the objective under paragraph 3 above. This impact assessment shall inter alia cover:*
  - (a) possible changes to the frequency of allocation for long-term transmission rights;*
  - (b) possible changes to the maturities of these long-term transmission rights, in particular maturities extended up to at least three years;*
  - (c) possible changes to the nature of these long-term transmission rights;*
  - (d) ways to strengthen the secondary market; and*
  - (e) the possible introduction of regional virtual hubs for the forward market.*

5. *As regards regional virtual hubs for the forward market, the assessment under paragraph 4 above shall cover the following elements:*

- (a) **■** *the adequate geographical scope of the regional virtual hubs, including the bidding zones that would constitute these hubs and specific situations of bidding zones belonging to two or more virtual hubs, aiming to maximise the price correlation between the reference prices and the prices of the bidding zones constituting regional virtual hubs;*
- (aa) *the level of electricity interconnectivity of Member States, in particular of those Member States below the interconnection targets for 2020 and 2030 laid down in Article 4, point (d)(1), of Regulation (EU) 2018/1999;*
- (b) *the methodology for the calculation of the reference prices for the regional virtual hubs for the forward market, aiming to maximise the correlations between the reference price and the prices of the bidding zones constituting a regional virtual hub; ■*
- (c) *the possibility for bidding zones to form part of more than one regional virtual hub;*
- (d) **■** *the way to maximise trading opportunities for hedging products referencing the regional virtual hubs for the forward market as well as for long term transmission rights from bidding zones to regional virtual hubs;*
- (da) *the ways to ensure that the single allocation platform referred to in paragraph 2 shall offer allocation and facilitate trading of long-term transmission rights.*
- (db) *the implications regarding pre-existing intergovernmental agreements and rights.*

6. ***Based on the outcome of this assessment, the Commission shall, within 24 months from the entry into force of this amending Regulation, adopt an implementing act in accordance with Article 59(1) to further detail the specific measures and tools to achieve the objectives in paragraph 3 and their precise features.***
7. The single allocation platform established in accordance with Regulation (EU) 2016/1719 shall ***act as an entity offering allocation and facilitating trading of long-term transmission rights on behalf of transmission system operators. It shall*** have a legal form as referred to in Annex II to Directive (EU) 2017/1132 of the European Parliament and of the Council.

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8. Where a regulatory authority considers that there are insufficient hedging opportunities available for market participants, and after consultation of relevant financial market competent authorities in case the forward markets concern financial instruments as defined under ***point (15) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council<sup>1</sup>***, it may require power exchanges or transmission system operators to implement additional measures, such as market-making activities, to improve the liquidity of the forward market. ■

9. *Subject to compliance with Union competition law and with Directive (EU) 2014/65 and Regulations (EU) 648/2012 of the European Parliament and of the Council and 600/2014 of the European Parliament and of the Council, market operators may develop forward hedging products, including long-term forward hedging products, to provide market participants, including owners of power-generating facilities using renewable energy sources, with appropriate possibilities for hedging financial risks against price fluctuations. Member States shall not require that such hedging activity may be limited to trades within a Member State or bidding zone.'*

(7) Article 18 is amended as follows:

(a) paragraph 2 is replaced by the following:

“2. Tariff methodologies shall reflect the fixed costs of transmission system operators and distribution system operators and shall consider both capital and operational expenditure to provide appropriate incentives to transmission system operators and distribution system operators over both the short and long run, including anticipatory investments, in order to increase efficiencies ■ including energy efficiency; foster market ***integration, the integration of renewable energy*** and security of supply; support the use of flexibility services, ***enable the use of flexible connections; promote efficient and timely*** investments, including solutions to optimise the existing grid; facilitate ***energy storage***, demand response and related research activities; ***contribute to the achievements of the objectives set out in the national energy and climate plans, to reduce environmental impact and promote acceptance; and*** facilitate innovation in the interest of consumers in areas such as digitalisation, flexibility services and interconnection, ***in particular to develop the required infrastructure to reach the minimum electricity interconnection target for 2030 laid down in Article 4, point (d)(1), of Regulation (EU) 2018/1999;***”



(aa) paragraph 3 is replaced by the following:

‘ *Where appropriate, the level of the tariffs applied to producers or final customers, or both shall provide locational investment signals at Union level, such as incentives via tariff structure to reduce re-dispatching and power grid reinforcement costs and take into account the amount of network losses and congestion caused, and investment costs for infrastructure.*’;

(b) paragraph 8 is replaced by the following:

“8. Transmission and distribution tariff methodologies shall provide incentives to transmission and distribution system operators for the most cost-efficient operation and development of their networks including through the procurement of services. For that purpose, regulatory authorities shall recognise relevant costs as eligible, ***including costs related to anticipatory investments***, shall include those costs in transmission and distribution tariffs, and shall, ***where appropriate***, introduce performance targets in order to provide incentives to transmission and distribution system operators to increase ***overall system efficiency*** in their networks, including through energy efficiency, the use of flexibility services and the development of smart grids and intelligent metering systems.

(c) in paragraph 9, point (f) is replaced by the following:

‘(f) methods to ensure transparency in the setting and structure of tariffs, including anticipatory investments ***determined after consultation to relevant stakeholders, consistent with relevant Union and national energy objectives and taking into account the acceleration areas as established in accordance with the Directive (EU) 2018/2001 on the promotion of renewable energy sources;***’

- (d) in paragraph 9, the following point ■ is added:
- ‘(i) incentives for efficient investments in networks, including *resources providing flexibility* and flexible connection agreements.’
- (8) in Article 19, paragraph 2 is amended as follows:
- (a) point (b) is replaced by the following:
    - ‘(b) maintaining or increasing cross-zonal capacities through optimisation of the usage of existing interconnectors by means of coordinated remedial actions, where applicable, or covering costs resulting from network investments that are relevant to reduce interconnector congestion; or’;
  - (b) the following point ■ is added:
    - ‘(c) compensating offshore *renewable electricity* generation plant operators in an offshore bidding zone *directly connected to two or more bidding zones* if access to interconnected markets has been reduced in such a way that *it results in the offshore renewable electricity plant operator not being able to export its electricity generation capability to the market and, where relevant, a corresponding price decrease in the offshore bidding zone, as compared to without capacity reductions. The compensation applies where, in the validated capacity calculation results*, one or more transmission system operators *either* have not made *available the capacity agreed in connection agreement* on the interconnector or *have not made available the capacity on* the critical network elements *pursuant to the capacity calculation rules in Article 16(8), or both. The transmission system operators which are responsible for the reduction of access to interconnected markets shall be responsible for the compensation to offshore renewable electricity generation plant operators. On an annual basis, this compensation shall not exceed the total congestion income generated on interconnectors between the concerned bidding zones.*’

(9) The following chapter ■ is inserted:

‘ Chapter IIIa

Specific investment incentives to achieve the Union’s decarbonisation objectives

Article 19a

Power purchase agreements

1. ***Without prejudice to Directive (EU) 2018/2001, on the promotion of renewable sources***, Member States shall ***promote the uptake of*** power purchase agreements (‘PPAs’), ***including by removing unjustified barriers and disproportionate or discriminatory procedures or charges***, with a view to ***providing price predictability and*** reaching the objectives set out in their integrated national energy and climate plan with respect to the ■ decarbonisation ***dimension*** referred to in point (a) of Article 4 of Regulation (EU) 2018/1999, ***including with respect to renewable energy***, while preserving competitive and liquid electricity markets ***and cross-border trade***.
- 1a. ***When carrying out the revision of this Regulation according to article 69, the Commission, in consultation with relevant stakeholders, shall assess the potential and viability of one or several EU market platforms for PPAs, to be used on a voluntary basis, including the interplay of these potential platforms with other existing electricity market platforms and the pooling of demand for PPAs through aggregation.***

2. Member States *in a coordinated manner* shall ensure that instruments, such as guarantee schemes at market prices, to reduce the financial risks associated to off-taker payment default in the framework of PPAs are in place and accessible to customers that face entry barriers to the PPA market and are not in financial difficulty. *Such instruments may include, but are not limited to, state-backed guarantee schemes at market prices, private guarantees, or facilities pooling demand for PPAs, in compliance with relevant Union law.* For this purpose, Member States shall *ensure appropriate coordination, including with relevant Union-level facilities.* Member States *may* determine what categories of customers are targeted by these instruments, applying non-discriminatory criteria *among and within the categories of customers.*
3. *Without prejudice to Articles 107 and 108 TFEU, if a guarantee scheme* for PPAs *is* backed by the Member *State, it* shall include provisions to avoid lowering the liquidity in electricity markets and shall not provide support to the purchase of generation from fossil fuels. *Member States may decide to limit those guarantee schemes to the exclusive support of the purchase of new renewable generation according to the Member State's decarbonisation policies, including in particular where the market for renewables PPAs is not sufficiently developed.*
4. ■ Support schemes for electricity from renewable sources, shall allow the participation of projects which reserve part of the electricity for sale through a *renewable* PPA or other market-based arrangements *provided this does not negatively affect competition in the market, in particular in cases where the two parties involved in this PPA are controlled by the same entity.*

- 4a. In the design of such support schemes Member States shall endeavour to make use of evaluation criteria to incentivise bidders to facilitate the access of customers that face entry barriers to the PPA market, provided this does not negatively affect competition in the market.**
5. PPAs shall specify the bidding zone of delivery and the responsibility for securing cross-zonal transmission rights in case of a change of bidding zone in accordance with Article 14 ■
6. PPAs shall specify the conditions under which customers and producers may exit from PPAs, such as any applicable exit fees and notice periods, in *compliance* with Union competition law.
- 6a. Member States, when designing measures directly affecting PPAs shall respect possible legitimate expectations and shall take into account the effect of those measures on existing and future PPAs.**
- 6b. By 31 January 2026 and every two years thereafter, the Commission shall assess whether barriers persist and whether there is sufficient transparency in the PPAs markets.**  
*The Commission may draw up specific guidance on removal of barriers in the PPA markets, including disproportionate or discriminatory procedures or charges.*

*Article 19ab*

*Voluntary standardised PPAs and information on PPAs*

- 1. ACER shall publish an annual assessment on the PPA market at Union and Member State level as part of the monitoring report referred to in Article 15 of Regulation (EU) 2019/942.*
- 2. By 3 months after the entry into force of this Regulation, ACER shall assess, in close coordination with the relevant institutions and stakeholders, the need to develop and issue standard contracts for Power Purchase Agreements for voluntary use, adapted to the needs of the different categories of counterparties.*

*In case the assessment concludes that there is a the need to develop and issue such an standard contracts, ACER together with the NEMOs and, after consulting the relevant stakeholders, shall develop these standard contracts considering the following elements:*

- The use of those standard contracts shall be voluntary for the contracting parties.*
- Standard contracts shall have, inter alia, the following characteristics:*
  - a) offer a variety of contract durations;*
  - b) provide different price formulas;*
  - c) consider the offtaker's load profile and the generator's generation profile.*

*Article 19ac*

*Union level measures to contribute to the achievement of the additional share of energy from renewable sources*

1. *The Commission shall assess whether measures at Union level can contribute to the achievement of the Member States collective endeavour of an additional 2.5 % share of energy from renewable sources in the Union's gross final consumption of energy in 2030 in line with Directive (EU) 2023/2413, complementing national measures. The Commission shall analyse the possibility to use the Union renewable energy financing mechanism to organise Union level renewable energy auctions in line with the relevant regulatory framework.*

Article 19b

Direct price support schemes *in the form of two-way contracts for difference for investments* ■

1. Direct price support schemes for *investments in new power-generating facilities* for the generation of electricity from the sources listed in paragraph 2 shall take the form of *two-way contracts* for differences *or of equivalent schemes with the same effects*.

*The first subparagraph shall apply to contracts under direct price support schemes for investments in new generation concluded as of three years after [the date of entry into force of this Regulation]. For offshore hybrid asset projects connected to two or more bidding zones, the transitional period shall be five years after [the date of entry into force of this Regulation].*

*The participation of market participants in direct price support schemes in the form of two-way contracts for difference and in equivalent schemes with the same effects shall be voluntary.*

- 1a. All direct price support schemes in the form of two-way contracts for difference and equivalent schemes with the same effects shall be designed to:**
- (a) preserve incentives for the generating facility to operate and participate efficiently in the electricity markets, in particular to reflect market circumstances;**
  - (b) prevent any distortive effect of the support scheme on the operation, dispatch and maintenance decisions of the generating facility or on bidding behaviour in day-ahead, intraday, ancillary services and balancing markets;**
  - (c) ensure that the level of the minimum remuneration protection and of the upward limit to excess remuneration are aligned with the cost of the new investment, the market revenues, to guarantee the long-term economic viability of the power generating facility while avoiding overcompensation;**
  - (d) avoid undue distortions to competition and trade in the internal market, notably by determining remuneration amounts through a competitive bidding process that it is open, clear, transparent and non-discriminatory. In cases where no competitive bidding process can be conducted, contracts for difference or equivalent schemes with the same effects – and the applicable strike prices - shall be designed to ensure that the distribution of revenues to undertakings does not create undue distortions to competition and trade in the internal market. ;**
  - (e) avoid distortions to competition and trade in the internal market. resulting from the distribution of revenues to undertakings;**
  - (f) include penalty clauses applicable in the case of undue unilateral early termination of the contract.**



- 1b. In the assessment of two-way contracts for difference or equivalent schemes with the same effects under Articles 107 and 108 TFEU, the Commission shall ensure compliance with the design principles pursuant to paragraph 1a.**
2. Paragraph 1 shall apply to ■ investments in *new* generation of electricity from the following sources:
- (a) wind energy;
  - (b) solar energy;
  - (c) geothermal energy;
  - (d) hydropower without reservoir;
  - (e) nuclear energy;
3. ***The revenues, or the equivalent in financial value of those revenues, arising from direct price support schemes in the form of two-way contracts for difference and from equivalent schemes with the same effects referred to in paragraph 1 shall be distributed to final customers.***

***Notwithstanding the requirement in the first subparagraph, the revenues, or the equivalent in financial value of those revenues, may also be used to finance the costs of the direct price support schemes or investments to reduce electricity costs for final customers.***

***The distribution of revenues to final customers shall be designed to maintain incentives to reduce their consumption or shift it to periods when electricity prices are low and not to undermine competition between electricity suppliers.***

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4. ***In line with the third subparagraph of Article 4(3) of Directive (EU) 2018/2001, Member States may exempt small-scale renewables installations and demonstration projects from the obligation under paragraph 1.***

Article 19c

Assessment of flexibility needs

1. ***No later than one year after the approval by ACER of the methodology pursuant to paragraph 6 of this Article, and every two years thereafter, the regulatory authority, or another authority or entity designated by a Member State, shall adopt a report on the estimated needs for flexibility ■ for a period of at least the next 5 to 10 years at national level, in view of the need to cost effectively achieve security and reliability of supply and decarbonise the electricity system, taking into account the integration of variable renewable electricity sources and the different sectors, as well as the interconnected nature of the electricity market, including interconnection targets and potential availability cross-border flexibility.***

The report shall :

***(a) be consistent with the European Resource Adequacy Assessment and national adequacy assessments pursuant to Articles 23 and 24 of this Regulation.***

***(b) be based on the data and analyses provided by the transmission and distribution system operators of that Member State pursuant to paragraph 3 and using the common methodology pursuant to paragraph 4 and, when duly justified, additional data and analysis.***

***Where the Member State has designated a transmission system operator or another entity for this purpose, the regulatory authority shall approve or amend the report.***

2. The report shall *at least*:
  - (a) *evaluate the different types of needs for flexibility, at least on a seasonal, daily and hourly basis*, to integrate electricity generated from renewable sources in the electricity system. *This evaluation shall assess, inter alia, different assumptions in respect to electricity market prices, generation and demand;*
  - (b) *consider* the potential of non-fossil flexibility *resources* such as demand response and *energy storage, including aggregation and interconnection*, to fulfil this need, both at transmission and distribution levels.
  - (c) *evaluate the barriers for flexibility in the market and propose relevant mitigation measures and incentives, including the removal of regulatory barriers and possible improvements to markets and system operation services or products*
  - (ca) *evaluate the contribution of digitalization of electricity transmission and distribution networks; and*
  - (d) *take into account* flexibility needs *that is expected to be available in other Member States*.
3. The *electricity* transmission and distribution system operators of each Member State shall provide the data and analyses *referred to in paragraph 4 that are* needed for the preparation of the report referred to in paragraph 1 to the regulatory authority *or, where relevant, the authority or entity designated in paragraph 1. If duly justified, the regulatory authority or, where relevant, the authority or entity designated in paragraph 1 may ask the relevant transmission system operators and distribution system operators to provide additional input to the report, beyond the requirements referred to in paragraph 4. Relevant transmission or distribution system operators will coordinate with hydrogen and gas sectors system operators in order to gather the relevant information in case needed in application of this article.*

4. The ENTSO for Electricity and the EU DSO entity shall coordinate transmission and distribution system operators as regards the data and analyses to be provided in accordance with paragraph 3. In particular, they shall:
- (a) define the type **■** and format *of data* that transmission and distribution system operators shall provide to the regulatory authorities *or, where relevant, the authority or entity designated in paragraph 1;*
  - (b) develop a methodology for the analysis by transmission and distribution system operators of the flexibility needs, taking into account at least all *available* sources *in a cost-efficient manner in the different timeframes, including in other Member States;* planned investments *in* interconnection, *and flexibility at* transmission and distribution level as well as the need to decarbonise the electricity system *in order to meet the Union's 2030 targets for energy and climate and its 2050 climate neutrality objective, in compliance with the Paris Agreement. The methodology shall contain guiding criteria on how to assess the capability of the different flexibility sources to cover the needs.*
5. The ENTSO for Electricity and the EU DSO entity shall closely cooperate with each other regarding the coordination of transmission and distribution system operators *as regards the provision of data and analyses pursuant to paragraph 4.*

6. By ***nine months after the entry into force of this Regulation***, the ENTSO for Electricity and the EU DSO entity shall jointly submit to ACER a proposal regarding the type of data and format to be submitted to regulatory authorities, ***or, where relevant, the authority or entity designated in paragraph 1***, and the methodology ***for the analysis of the flexibility needs*** referred to in paragraph 4. Within three months of receipt of the proposal, ACER shall either approve the proposal or amend it. In the latter case, ACER shall consult ***the Electricity Coordination Group***, the ENTSO for Electricity and the EU DSO entity before adopting the amendments. The adopted proposal shall be published on ACER's website.
7. The regulatory authorities ***or, where relevant, the authority or entity designated in paragraph 1***, shall submit the reports referred to in paragraph 1 to ***the European Commission and ACER*** and publish them. Within 12 months of receipt of the reports, ACER shall issue a report analysing them and providing recommendations on issues of cross-border relevance regarding the findings of the regulatory authorities ***or, where relevant, the authority or entity designated in paragraph 1, including recommendations on removing barriers to the entry of non-fossil flexibility resources.***

*Among the issues of cross-border relevance, the Agency shall assess:*

- a) how to better integrate the flexibility needs analysis referred to in paragraph 1 with the methodology for the European resource adequacy assessments in accordance with Article 23 and the methodology for the Union-Wide Ten Year Network Development Plan, ensuring consistency between them. The results would be taken into account in further revisions of these methodologies according to the relevant EU legislation.*
- b) the estimated need for flexibility in the electricity system at Union level and its projected economically available potential for a period of the next 5 to 10 years taking into account the national reports;*
- c) the potential introduction of further measure to unleash flexibility potential in the electricity markets and system operation;*

*The European Scientific Advisory Board on Climate Change may, on its own initiative, provide input to ACER on how to ensure compliance with the Union's 2030 targets for energy and climate and its 2050 climate neutrality objective.*

- 7b. ENTSO-E shall update the Union-wide network development plan to include the results of the flexibility needs assessments. The national assessment of flexibility needs referred to in paragraph 1 shall be considered by transmission and distribution system operators in their network development plans.*

Article 19d

Indicative national objective for *non-fossil flexibility*

*No later than 6 months after the submission of the report pursuant to Article 19c(1) of this Regulation, each Member State shall define, based on this report, an indicative national objective for non-fossil flexibility, including the respective specific contributions of both demand response and energy storage to that objective. Member states may achieve this objective by realising the identified potential of non-fossil flexibility, via the removal of identified market barriers or support schemes as envisaged in Article 19e. This indicative national objective, including the respective specific contributions of demand response and energy storage to that objective, as well as measures to achieve this objective shall also be reflected in Member States' integrated national energy and climate plans as regards the dimension 'Internal Energy Market' in accordance with Articles 3, 4 and 7 of Regulation (EU) 2018/1999 and in their integrated biennial progress reports in accordance with Article 17 of Regulation (EU) 2018/1999. Member States may define provisional indicative objectives pursuant to Article 19c(1) of this Regulation.*

*Following the assessment carried out in line with Article 9 of Regulation (EU) 2018/1999, the Commission, after receiving the national indicative objective defined and communicated by the Member States according to paragraph 1, shall submit a report to the European Parliament and to the Council assessing the national reports.*

*On the basis of the conclusions of the report elaborated with the first information communicated by Member States, the Commission may draw up a Union strategy on flexibility, with a particular focus on demand response and energy storage, to facilitate their deployment that is consistent with the Union's 2030 targets for energy and climate as defined in Article 2, point (11), of Regulation (EU) 2018/1999 and the climate-neutrality objective laid down in Article 2 of Regulation (EU) 2021/1119 which may be accompanied, where appropriate, by a legislative proposal.*

Article 19e

*Non-fossil* flexibility support schemes

1. *Where investments in non-fossil flexibility are insufficient to achieve the indicative national objective or, where relevant, provisional indicative objectives, identified in accordance with Article 19d, Member States may apply non-fossil flexibility support schemes consisting of payments for the available capacity of non-fossil flexibility without prejudice to Articles 12 and 13. Member States which apply a capacity mechanism shall consider to make the necessary adaptations in the design of the capacity mechanisms to promote the participation of non-fossil flexibility such as demand side response and storage, without prejudice to the possibility for those Member States to use the non-fossil flexibility support schemes mentioned in this paragraph.*
2. *The possibility for Member States to apply measures pursuant to paragraph 1 shall not preclude them from addressing their indicative targets identified in Article 19d by other means.*

█



## Article 19f

### Design principles for *non-fossil* flexibility support schemes

■ Non-fossil flexibility *support schemes* applied by Member States in accordance with Article 19e(1) shall:

- (a) not go beyond what is necessary to *achieve the indicative national objective, or where relevant the provisional indicative objective, identified in accordance with Article 19d* in a cost-effective manner;
- (b) be limited to new investments in non-fossil flexibility *resources* such as demand side response and *energy* storage;
- (ba) *endeavour to take into consideration locational criteria to ensure that investments in new capacity take place in optimal locations;*
- (c) ■ not imply starting fossil fuel-based generation located behind the metering point;
- (d) select capacity providers by means of an open, transparent, competitive, *voluntary*, non-discriminatory and cost-effective process;
- (e) prevent undue distortions to the efficient functioning of the electricity markets including preserving efficient operation incentives and price signals and the exposure to price variation and market risk;
- (f) provide incentives for the integration in the electricity market in a market-based and market-responsive way, while avoiding unnecessary distortions of electricity markets as well as taking into account possible system integration costs and grid *congestion and* stability;
- (g) set out a minimum level of participation in the market in terms of activated energy, which takes into account the technical specificities of *the asset delivering the flexibility*

- (h) apply appropriate penalties to capacity providers which do not respect the minimum level of participation in the market referred to in point (g), or which do not follow efficient operation incentives and *price* signals referred to in point (e);
- (i) *promote the opening to the cross-border participation of those resources that are capable of providing the required technical performance, where a cost-benefit analysis is positive.* █

**(9a) Article 21 is amended as follows:**

**[a] paragraph 1 is replaced by the following:**

‘ *Member States may, while implementing the measures referred to in Article 20(3) of this Regulation in accordance with Article 107, 108 and 109 of the TFEU, introduce capacity mechanisms.*

**[b] paragraph 7 is deleted.**

**[c] paragraph 8 is replaced by the following:**

**8. Capacity mechanisms shall be approved by the Commission for no longer than 10 years. The amount of the committed capacities shall be reduced on the basis of the implementation plans referred to in Article 20. Member States shall continue to apply the implementation plan after the introduction of the capacity mechanism.’**

**(9b) In Article 22(1) point (a) is deleted.**

(10) in Article 37 (1), point (a) is replaced by the following:

“(a) carrying out the coordinated capacity calculation in accordance with the methodologies developed pursuant to the forward capacity allocation guideline, the capacity allocation and congestion management guideline and the electricity balancing guideline adopted on the basis of Article 18(5) of Regulation (EC) No 714/2009;”

(11) Article 50 is amended as follows:

(a) the following paragraph 4a is added:

“4a.

- Transmission system operators shall publish in a clear and transparent manner, information on the capacity available for new connections in their respective areas of operation ***with high spatial granularity, while respecting public security and data confidentiality***, including ***the capacity under connection request and the possibility of flexible connection*** in congested areas. ***The publication shall include information on the criteria used to calculate available capacity for new connections. Transmission system operators shall update that information on a regular basis, at least monthly.***
- Transmission system operators shall **■** provide clear and transparent information to system users about the status and treatment of their connection requests ***including, where relevant, those related to flexible connection agreements***. They shall provide such information within **■** three months from the submission of the request. ***Where the requested connection is neither granted nor permanently rejected, transmission system operators shall update that information on a regular basis and at least quarterly.*** ’

(12) in Article 57, the following paragraph 3 is added:

- ‘3. Distribution system operators and transmission system operators shall cooperate with each other in publishing information on the capacity available for new connections in their respective areas of operation in a consistent manner and giving sufficient granular visibility to developers of new energy projects and other potential network users.’

(13) in Article 59 (1), point (b) is replaced by the following:

- “(b) **■** capacity-allocation and congestion- management rules pursuant to Article 6 of Directive (EU) 2019/944 and Articles 7 to 10, 13 to 17, 19 and 35 to 37 of this Regulation, including rules on day-ahead, intraday and forward capacity calculation methodologies and processes, grid models, bidding zone configuration, redispatching and countertrading, trading algorithms, single day-ahead and intraday coupling, *different governance options, the firmness of allocated cross-zonal capacity, congestion income distribution, the details and specific features of the tools referred to in Article 9(3) by reference to the elements specified in paragraphs (4) and (5) thereof*, the allocation *and facilitation of trading* of financial long-term transmission rights by the single allocation platform *as well as the frequency, maturity and specific nature of such long-term transmission rights*, cross-zonal transmission risk hedging, nomination procedures, and capacity allocation and congestion management cost recovery, *and methodology for compensating offshore renewable electricity plant operators for capacity reductions;* ” ’

*(13a) in Article 59(2), point (a) is replaced by the following:*

*‘(a) network connection rules including rules on the connection of transmission-connected demand facilities, transmission-connected distribution facilities and distribution systems, connection of demand units used to provide demand response, requirements for grid connection of generators and other system users, requirements for high-voltage direct current grid connection, requirements for direct current-connected power park modules and remote-end high-voltage direct current converter stations, and operational notification procedures for grid connection;’ ”*

*(13b) Article 69 is amended as follows:*

*(a) paragraph 2 is replaced by the following:*

*‘ By 30 June 2026, the Commission shall review this Regulation and shall submit a comprehensive report to the European Parliament and to the Council on the basis of that review, accompanied by a legislative proposal where appropriate.*

*The Commission's report shall assess, among others:*

*(a) The effectiveness of the current structure and functioning of the short-term electricity markets, including in crisis or emergency situations, and, more generally, the potential inefficiencies concerning the internal electricity market and the different options for the introduction of possible remedies and tools to be applied in crisis or emergency situations in view of the experience at international level and of the evolution and new developments in the Union electricity market;*

- (b) *the suitability of the current Union legal and financing framework on distribution grids to deliver on the Union's renewable and internal energy market objectives.*
- (c) *in line with Article 19a, the potential and viability of the establishment of one or several EU market platforms for PPAs, to be used on a voluntary basis, including the interplay of these potential platforms with other electricity market platforms and the pooling of demand for PPAs through aggregation.*
4. *By ... [six month after the date of entry into force of this amending Regulation], the Commission shall submit to the European Parliament and to the Council a detailed report assessing possibilities of streamlining and simplifying the process of applying a capacity mechanism under Chapter IV of this Regulation, so as to ensure that adequacy concerns can be addressed by Member States in a timely manner. In that context, the Commission shall request that ACER amends the methodology for the European resource adequacy assessment referred to in Article 23 in accordance with the process set out in Articles 23 and 27, as appropriate.*

*By ... [nine months after the date of entry into force of this amending Regulation] the Commission shall, after consultation with Member States, come forward with proposals with a view to simplifying the process of assessing capacity mechanisms as appropriate.'*

*(13a) In Article 64, the following paragraph is added:*

*(2a) By way of derogation from Article 6(9), (10) and (11), Estonia, Latvia and Lithuania, may conclude financial contracts for balancing capacity up to five years before the start of the provision of the balancing capacity. The duration of such contracts shall not extend beyond eight years after Estonia, Latvia and Lithuania have joined the continental European synchronous area.*

*The national regulators of Estonia, Latvia and Lithuania may allow their domestic transmission system operators to allocate cross-zonal capacity on a market-based process as described in Article 41 of Commission Regulation (EU) 2017/2195, without volume limitations until six months after the moment when the co-optimised allocation process is fully implemented and operational pursuant to paragraph 3 of Article 38 of Commission Regulation (EU) 2017/2195.*

*(13d) In Article 64, the following paragraph is inserted.*

*By way of derogation from Article 22(4)(b), Member States may request that generation capacity that started commercial production before 4 July 2019 and that emits more than 550 g of CO<sub>2</sub> of fossil fuel origin per kWh of electricity and more than 350 kg CO<sub>2</sub> of fossil fuel origin on average per year per installed kW<sub>e</sub> may, subject to compliance with Articles 107 and 108 TFEU, exceptionally be committed or receive payments or commitments for future payments after 1 July 2025 under a capacity mechanism approved by the Commission before the entry into force of Regulation 2019/943.*

**2d. The Commission shall assess the impact of the request in terms of greenhouse gas emissions. The Commission may grant the derogation after having assessed the report under subparagraph 2e and provided that the following conditions are fulfilled:**

- (a) the Member State has carried out, after the date of entry into force of Regulation (UE) 2019/943, a competitive bidding process in line with the provisions of Article 22 and for a delivery period after 1 July 2025, which aims at maximising the participation of capacity providers which meet the requirements in Article 22(4);**
- (b) the amount of capacity offered in the competitive bidding process referred to in letter point (a) is not sufficient to address the adequacy concern as identified pursuant to Article 20 (1) for the delivery period covered by that bidding process;**
- (c) the generation capacity that emits more than 550 g of CO<sub>2</sub> of fossil fuel origin per kWh of electricity is committed or receives payments or commitments for future payments for a period not exceeding one year, and for a delivery period which does not exceed the duration of the derogation, and is procured through an additional procurement process which complies with all requirements in Article 22 except for those set out in point (b) of paragraph 4 and only for the amount of capacity that is needed to solve the adequacy concern identified in letter b).**

**The derogation pursuant to this paragraph may be applied until 31 December 2028, provided that the conditions in points (a) to (c) are complied with for the entire duration of the derogation.**



*2e. The application for the derogation shall be accompanied by a report from the Member State which shall include:*

*(a) An assessment of the impact of the derogation in terms of greenhouse gas emissions, and on the transition towards renewable energy, increased flexibility, energy storage, electromobility and demand response.*

*(b) a plan with milestones to transition away from the participation of generation capacity referred to in the first subparagraph in capacity mechanisms by the date of the expiry of the derogation, including a plan to procure the necessary replacement capacity in line with the indicative national trajectory for the overall share of renewable energy and an assessment of the investment barriers causing the lack of sufficient bids in the competitive bidding procedure referred to in point (a).*

(14) The following Article ■ is added:

“ Article 69a

Interaction with Union financial legislation

Nothing in this Regulation shall derogate from the provisions of Directive (EU) 2014/65, Regulation (EU) 648/2012 and Regulation (EU) 600/2014 when market participants or market operators engage in activities related to financial instruments in particular as defined under *point (15) of Article 4(1)* of Directive (EU) 2014/65.“

(15) in Annex I point 1.2 is replaced by the following:

“1.2. Coordinated capacity calculation shall be performed for all allocation timeframes.”

*Article 2*

**Amendments to Regulation (EU) 2019/942**

Regulation (EU) 2019/942 is amended as follows:

(1) Article 2 is amended as follows:

■

■ ■

(b) point (d) is replaced by the following:

“(d) issue individual decisions on the provision of information in accordance with Article 3(2), Article 7(2), point (b), and Article 8, point (c); on approving the methodologies, terms and conditions in accordance with Article 4(4), Article 5(2), (3) and (4); on bidding zones reviews as referred to in Article 5(7); on technical issues as referred to in Article 6(1); on arbitration between regulators in accordance with Article 6(10); related to regional coordination centres as referred to in Article 7(2), point (a); on approving and amending methodologies and calculations and technical specifications as referred to in Article 9(1); on approving and amending methodologies as referred to in Article 9(3); on exemptions as referred to in Article 10; on infrastructure as referred to in Article 11, point (d); on matters related to wholesale market integrity and transparency pursuant to Article 12 ■ ; and on approving and amending proposals from the ENTSO for electricity and the EU DSO entity related to the methodology concerning the data and analysis to be provided as regards the flexibility needs pursuant to Article 5(10). ”; ””

(c) the following points are added:

(aa) issue opinions and recommendations addressed to the single allocation platform established in accordance with Regulation (EU) 2016/1719.

(2) in Article 3(2), the following subparagraph is added:

“ This paragraph shall also apply to the single allocation platform established in accordance with Regulation (EU) 2016/1719 ”;

(3) in Article 4, the following paragraph ■ is added:

“9. paragraphs 6, 7 and 8 shall also apply to the single allocation platform established in accordance with Regulation (EU) 2016/1719.”;

(4) in Article 5(8), the following ■ subparagraph is added:”

‘ ACER shall monitor the single allocation platform established in accordance with Regulation (EU) 2016/1719.’”

■

■

(6) in Article 5, the following paragraph ■ is added:

“9. ACER shall approve and where necessary amend the joint proposal from the ENTSO for electricity and the EU DSO entity related to the methodology concerning the data and analysis to be provided as regards the flexibility needs pursuant to Article 19c(4) of Regulation (EU) 2019/943.”

(6a) *in Article 6, paragraph 9, is amended as follows:*

**9. ACER shall submit opinions to the relevant regulatory authority and to the Commission pursuant to Article 8(1) and 16(3) of Regulation (EU) 2019/943.”**

(7) Article 15 is amended as follows:

(a) in paragraph (4), the following subparagraph ■ is added:

*“’ ACER shall issue a report on the impact of using peak shaving products during a crisis pursuant to Article 7a(5) of Regulation (EU) 2019/943 and a report on the impact of developing peak shaving products under normal market circumstances pursuant to Article 7a(4b) of Regulation (EU) 2019/943.*

*(b) the following paragraph is added:*

*“5. ACER shall issue a report analysing the national assessments of the flexibility needs and providing recommendations on issues of cross-border relevance regarding the findings of the regulatory authorities, **or of other authorities or entities designated by Member States**, pursuant to Article 19c(7) of Regulation (EU) 2019/943.”*

*Article 5*

**Entry into force**

This Regulation shall enter into force on the [*twentieth*] day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ....

*For the European Parliament*

*For the Council*

*The President*

*The President*