

Objectives for a sound Brexit Transition

A EURELECTRIC statement

December 2017

EURELECTRIC is the voice of the electricity industry in Europe.

We speak for more than 3,500 companies in power generation, distribution, and supply.

We Stand For:

Carbon-neutral electricity in Europe well before mid-century

We have committed to making Europe's electricity cleaner. To deliver, we need to make use of **all low-carbon technologies**: more renewables, but also clean coal and gas, and nuclear. Efficient electric technologies in **transport and buildings**, combined with the development of smart grids and a major push in **energy efficiency** play a key role in reducing fossil fuel consumption and making our electricity more sustainable.

Competitive electricity for our customers

We support well-functioning, distortion-free **energy and carbon markets** as the best way to produce electricity and reduce emissions cost-efficiently. Integrated EU-wide electricity and gas markets are also crucial to offer our customers the **full benefits of liberalisation**: they ensure the best use of generation resources, improve **security of supply**, allow full EU-wide competition, and increase **customer choice**.

Continent-wide electricity through a coherent European approach

Europe's energy and climate challenges can only be solved by **European – or even global – policies**, not incoherent national measures. Such policies should complement, not contradict each other: coherent and integrated approaches reduce costs. This will encourage **effective investment** to ensure a sustainable and reliable electricity supply for Europe's businesses and consumers.

EURELECTRIC. Electricity for Europe.

OBJECTIVES FOR A SOUND BREXIT TRANSITION

EURELECTRIC welcomes the agreement reached between the UK and the European Commission in the first phase of the negotiations. We are however of the view that there is insufficient time left between now and March 2019 to agree an **energy trading arrangement**, which addresses among other things the issues of the continuation of the single electricity market on the **island of Ireland** and provides time for its **implementation**. **Consequently, the EU electricity sector considers it imperative that a reasonable period of time for negotiations beyond this date is agreed by both parties. Businesses and citizens in both the UK and the EU would benefit from a transition period. This would help provide stability and maintain investors' confidence by adjusting smoothly and orderly to the new arrangements.**

UK's continued participation in or seamless linkage with the internal energy market offers the most rational outcome post Brexit since there is a **strong mutual interest in maintaining cross-border collaboration**. A transitional period, which seeks to provide certainty and stability to businesses and citizens can be achieved through, where possible, maintaining current arrangements. This period must allow for negotiators to find an agreement on maintaining a mutually beneficial energy relationship. The process of negotiating this should be handled in two distinct parts during the transition period:

- **Part 1: finalise the energy trading arrangements** to be put in place on withdrawal; and
- **Part 2: work out the implementation process of the agreed relationship** and the timeframe for amending any legal, regulatory and technical measures permitting the operation of the new arrangements with the aim of achieving an orderly change.

We set out below objectives which the electricity sector believes should inform the negotiations in respect of both parts with the goal that UK access to the EU internal electricity market will continue.

- The transition period must be sufficient to allow that an energy trade agreement can be made;
- Only those policy issues relating directly to the free and fair trading of energy should be the subject of such an energy trade agreement;
- Legal clarity must be provided, with fair and equitable treatment of participants in both EU and UK markets regarding contracts established prior to 29 March 2017 and during the transition period;
- Legal clarity must be provided regarding continuation of the single electricity market on the island of Ireland;
- Clarity must be provided regarding governance during the transition period in the absence of a continued direct linkage to the internal energy market;
- Unrestricted movement of skilled personnel to and from the EU and UK must be preserved for all sectors;
- Clear principles must be provided for addressing the key separation issues relating to UK's withdrawal from Euratom and commitment to a future regime that provides coverage equivalent to existing Euratom arrangements.

These views rely on the following assumptions and facts:

- The re-engagement by the UK with the EU will occur seamlessly following withdrawal;
- A rational approach is adopted that pursues the goal of minimising constraints on the free and fair trading of energy (gas and electricity) and the continued access to a tariff-free supply chain of goods and services;
- Existing EU regulatory and enforcement instruments are applied until the end of the transition period;
- The principles of international law on Treaties will apply.

The European electricity sector welcomes the acknowledgement by the UK and the EU of the desirability to have a **more realistic period for negotiation and adjustment**. We also urge parties to confirm the extension of this period by the end of 2017 to provide market stability and maintain investor confidence.

For further information, please refer to EURELECTRIC's position paper ["BREXIT: Maintaining free and fair trade of electricity and gas in Europe", June 2017](#).

EURELECTRIC pursues in all its activities the application of the following sustainable development values:

Economic Development

▶ Growth, added-value, efficiency

Environmental Leadership

▶ Commitment, innovation, pro-activeness

Social Responsibility

▶ Transparency, ethics, accountability



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