States slow to adopt European energy laws - Commission report

EU member states have still not fully transposed European gas and power directives into law, the European Commission's internal energy market benchmarking report claimed on Thursday.

Brussels has warned that if the rules set out in last year's third energy package, which in part focused on cross-border trade and access to diversified energy sources, are not put in place, then the necessary incentives for investment will not be achieved.

Günther Oettinger, European commissioner for energy, said: "The full and correct implementation of the energy rules has still not been achieved. This situation needs to change and the Commission will use all means available to make this happen."

The report states that, if needed, it would not hesitate to use its powers under competition law to force countries to adopt the legislation. Last year, it launched infringement procedures against 25 member states for power sector violations and 21 cases for the gas sector.

The third energy package does not need to be fully adopted by member states until 3 March 2011.

The report, which was officially adopted by Brussels on Thursday, said there had been some improvements over the past 12 months. It found the economic crisis had resulted in new opportunities for competition because more gas had become available at lower prices on liquid hubs. Nevertheless, in comparison with power markets, liquidity at these gas hubs and exchanges was still said to be "thin."

On the power side, cooperation between exchanges saw an increase in volume, which Brussels viewed positively.

Volumes on both the gas and power wholesale market were said to have been resilient, despite the decline in consumption, caused by the recession.

The benchmarking report, which takes the form of the Commission's official communication to the European Council and Parliament on the internal energy market, is based on data from national regulators and from Eurostat.

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