

## Claude Turmes

Membre du Parlement européen

Miguel Arias Cañete Commissioner European Commission Rue de la Loi 200 1049 Brussels Brussels 6 December 2017

## Dear Commissioner,

We would like to bring to your attention the difficult situation that many private companies face in Spain, when taking actions that contribute to accomplishing the objectives of the Paris Agreement, as well as those mentioned in several pieces of legislation in the Clean Energy Package related to the phasing-out of the most polluting power plants and to the achievement of the internal electricity market.

Some utilities in Spain would like to shut down their coal and fuel oil power plants in order to reduce their greenhouse gas emissions. However the Spanish government (Ministry of Energy, Tourism and the Digital Agenda) intends to prevent the closure of these power plants, arguing that it would jeopardize the security of energy supply and increase electricity market prices.

Preventing markets actors from shutting down their coal generation units is a heavy interference with the EU electricity market, also frontally contradicting the EU objective and Paris Agreement to phase-out polluting assets. Such an interference can only be substantiated based on serious and duly justified security of supply concerns. If the Spanish government cannot justify that there is a proven risk for security of supply, it shall not be allowed to prevent the closure. Alleged impact on price formation is not a sufficient ground under the EU law to justify public intervention in the entrepreneurial choice of companies to close down old polluting assets.



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The Commission should therefore investigate in details the issue and make sure that the core principles of the internal market, including free price formation, are respected. This situation could constitute a dangerous precedent if a national government was allowed to invoke a possible impact on wholesale prices to oppose the European decarbonisation policy.

Is it your interpretation that there is no legal ground in the EU acquis for the Spanish government to justify the envisaged measures based on price concerns? Did the Commission receive a detailed justification from Spanish authorities proving that the closure of coal power plants would seriously threaten security of supply, factoring in all elements that contribute to security of supply, notably demand-side management and interconnections as well as the current installed capacity on the Spanish power market (notably the large gas-fired generation fleet)? Is this detailed justification publicly available? Does the Commission consider the proposal of the Spanish government coherent with the EU planning towards the phase-out of the most polluting power plants? When does the Commission intend to take a position on this case?

We hope to see prompt and effective intervention from the Commission in order to preserve the integrity of the internal electricity market as well as the climate objectives of the Clean Energy Package and of the Paris Agreement.

Sincerely yours,

Claude Turmes

Florent Marcellesi