

- (ii) assisting specialised committees, joint working groups and contact points established by this Agreement in considering matters of relevance to small and medium-sized enterprises;
  - (e) report periodically on their activities, jointly or individually, to the Partnership Council for its consideration; and
  - (f) consider any other matter arising under this Agreement pertaining to small and medium-sized enterprises as the Parties may agree.
3. The small and medium-sized enterprises contact points of the Parties shall carry out their work through the communication channels decided by the Parties, which may include electronic mail, videoconferencing or other means. They may also meet, as appropriate.
4. Small and medium-sized enterprises contact points may seek to cooperate with experts and external organisations, as appropriate, in carrying out their activities.

#### Article SME.4: Relation with Part Six

Title I [Dispute settlement] of Part Six [Dispute settlement and horizontal provisions] does not apply to this Title.

### *TITLE VIII: ENERGY*

#### Chapter 1: General provisions

##### Article ENER.1: Objectives

The objectives of this Title are to facilitate trade and investment between the Parties in the areas of energy and raw materials, and to support security of supply and environmental sustainability, notably in contributing to the fight against climate change in those areas.

##### Article ENER.2: Definitions

1. For the purposes of this Title, the following definitions apply:
- (a) “Agency for the Cooperation of Energy Regulators” means the Agency established by Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators<sup>42</sup>;
  - (b) “authorisation” means the permission, licence, concession or similar administrative or contractual instrument by which the competent authority of a Party entitles an entity to exercise a certain economic activity in its territory;
  - (c) “balancing” means:

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<sup>42</sup> OJ EU L 158, 14.6.2019, p. 22.

- (i) for electricity systems, all actions and processes, in all timelines, through which electricity transmission system operators ensure, in an ongoing manner, maintenance of the system frequency within a predefined stability range and compliance with the amount of reserves needed with respect to the required quality;
  - (ii) for gas systems, actions undertaken by gas transmission system operators to change the gas flows onto or off the transmission network, excluding those actions related to gas unaccounted for as off-taken from the system and gas used by the transmission system operator for the operation of the system;
- (d) “distribution” means:
  - (i) in relation to electricity, the transport of electricity on high-voltage, medium-voltage and low-voltage distribution systems with a view to its delivery to customers, but does not include supply;
  - (ii) in relation to gas, the transport of natural gas through local or regional pipeline networks with a view to its delivery to customers, but does not include supply;
- (e) “distribution system operator” means a natural or legal person who is responsible for operating, ensuring the maintenance of, and, if necessary, developing the electricity or gas distribution system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the distribution of electricity or gas;
- (f) “electricity interconnector” means a transmission line:
  - (i) between the Parties, excluding any such line wholly within the single electricity market in Ireland and Northern Ireland;
  - (ii) between Great Britain and the single electricity market in Ireland and Northern Ireland that is outside the scope of point (i);
- (g) “energy goods” means the goods from which energy is generated, listed by the corresponding Harmonised System (HS) code in Annex ENER-1;
- (h) “entity” means any natural person, legal person or enterprise or group thereof;
- (i) “gas interconnector” means a transmission line which crosses or spans the border between the Parties;
- (j) “generation” means the production of electricity;
- (k) “hydrocarbons” means the goods listed by the corresponding HS code in Annex ENER-1;
- (l) “interconnection point” means, in relation to gas, a physical or virtual point connecting Union and United Kingdom entry-exit systems or connecting an entry-exit system with an interconnector, in so far as these points are subject to booking procedures by network users;
- (m) “raw materials” means the goods listed by the corresponding HS chapter in Annex ENER-1;

- (n) “renewable energy” means a type of energy, including electrical energy, produced from renewable non-fossil sources;
- (o) “standard capacity product” means, in relation to gas, a certain amount of transport capacity over a given period of time, at a specific interconnection point;
- (p) “transmission” means:
  - (i) in relation to electricity, the transport of electricity on the extra high-voltage and high-voltage system with a view to its delivery to customers or to distributors, but does not include supply;
  - (ii) in relation to gas, the transport of natural gas through a network, which mainly contains high-pressure pipelines, other than an upstream pipeline network and other than the part of high-pressure pipelines primarily used in the context of local distribution of natural gas, with a view to its delivery to customers, but not including supply;
- (q) “transmission system operator” means a natural or legal person who carries out the function of transmission or is responsible for operating, ensuring the maintenance of, and, if necessary, developing the electricity or gas transmission system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transport of gas or electricity, as the case may be;
- (r) “upstream pipeline network” means any pipeline or network of pipelines operated or constructed as part of an oil or gas production project, or used to convey natural gas from one or more such projects to a processing plant or terminal or final coastal landing terminal.

2. For the purposes of this Title, references to “non-discriminatory” and “non-discrimination” mean most-favoured-nation treatment as defined in Articles SERVIN.2.4 [Most Favoured Nation Treatment] and 3.5[Most Favoured Nation Treatment] and national treatment as defined in Articles SERVIN. 2.3 [National Treatment] and 3.4 [National Treatment], as well as treatment under terms and conditions no less favourable than that accorded to any other like entity in like situations.

#### Article ENER.3: Relationship with other Titles

1. Chapters 2 [Investment liberalisation] and 3 [Cross-border trade in services] of Title II apply to energy and raw materials. In the event of any inconsistency between this Title and Title II [Services and investment] and the Annexes SERVIN-1 to SERVIN-6, Title II [Services and investment] and the Annexes SERVIN-1 to SERVIN-6 shall prevail.

2. For the purposes of Article GOODS.4A [Freedom of transit], where a Party maintains or implements a system of virtual trading of natural gas or electricity using pipelines or electricity grids, meaning a system which does not require physical identification of the transited natural gas or electricity but is based on a system of netting inputs and outputs, the routes most convenient for international transit as referred to in that Article shall be deemed to include such virtual trading.

3. When applying Chapter 3 [Subsidy control] of Title XI [Level playing field for open and fair competition and sustainable development], Annex ENER-2 also applies. Chapter 3 [Subsidy control] of Title XI [Level playing field for open and fair competition and sustainable development] applies to Annex ENER-2. Article 3.13 [Dispute settlement] of Chapter 3 of Title XI [Level playing field for open

and fair competition and sustainable development] applies to disputes arising between the Parties concerning the interpretation and application of Annex ENER-2.

#### Article ENER.4: Principles

Each Party preserves the right to adopt, maintain and enforce measures necessary to pursue legitimate public policy objectives, such as securing the supply of energy goods and raw materials, protecting society, the environment, including fighting against climate change, public health and consumers and promoting security and safety, consistent with the provisions of this Agreement.

### Chapter 2: Electricity and gas

#### *Section 1: Competition in electricity and gas markets*

#### Article ENER.5: Competition in markets and non-discrimination

1. With the objective of ensuring fair competition, each Party shall ensure that its regulatory framework for the production, generation, transmission, distribution or supply of electricity or natural gas is non-discriminatory with regard to rules, fees and treatment.
2. Each Party shall ensure that customers are free to choose, or switch to, the electricity or natural gas supplier of their choice within their respective retail markets in accordance with the applicable laws and regulations.
3. Without prejudice to the right of each Party to define quality requirements, the provisions in this Chapter related to natural gas also apply to biogas and gas from biomass or other types of gas in so far as such gas can technically and safely be injected into, and transported through, the natural gas system.
4. This Article does not apply to cross-border trade and is without prejudice to each Party's right to regulate in order to achieve legitimate public policy goals based on objective and non-discriminatory criteria.

#### Article ENER.6: Provisions relating to wholesale electricity and gas markets

1. Each Party shall ensure that wholesale electricity and natural gas prices reflect actual supply and demand. To this end, each Party shall ensure that wholesale electricity and natural gas market rules:
  - (a) encourage free price formation;
  - (b) do not set any technical limits on pricing that restrict trade;
  - (c) enable the efficient dispatch of electricity generation assets, energy storage and demand response and the efficient use of the electricity system;
  - (d) enable the efficient use of the natural gas system; and

- (e) enable the integration of electricity from renewable energy sources, and ensure the efficient and secure operation and development of the electricity system.
- 2. Each Party shall ensure that balancing markets are organised in such a way as to ensure:
  - (a) non-discrimination between participants and non-discriminatory access to participants;
  - (b) that services are defined in a transparent manner;
  - (c) that services are procured in a transparent, market-based manner, taking account of the advent of new technologies; and
  - (d) that producers of renewable energy are accorded reasonable and non-discriminatory terms when procuring products and services.

A Party may decide not to apply point (c) if there is a lack of competition in the market for balancing services.

- 3. Each Party shall ensure that any capacity mechanism in electricity markets is clearly defined, transparent, proportionate and non-discriminatory. Neither Party is required to permit capacity situated in the territory of the other Party to participate in any capacity mechanism in its electricity markets.
- 4. Each Party shall assess the necessary actions to facilitate the integration of gas from renewable sources.
- 5. This Article is without prejudice to each Party's right to regulate in order to achieve legitimate public policy goals based on objective and non-discriminatory criteria.

#### Article ENER.7: Prohibition of market abuse on wholesale electricity and gas markets

- 1. Each Party shall prohibit market manipulation and insider trading on wholesale electricity and natural gas markets, including over-the-counter markets, electricity and natural gas exchanges and markets for the trading of electricity and natural gas, capacity, balancing and ancillary services in all timeframes, including forward, day-ahead and intraday markets.
- 2. Each Party shall monitor trading activity on these markets with a view to detecting and preventing trading based on inside information and market manipulation.
- 3. The Parties shall cooperate, including in accordance with Article ENER.20 [Cooperation between regulatory authorities], with a view to detecting and preventing trading based on inside information and market manipulation and, where appropriate, may exchange information including on market monitoring and enforcement activities.

#### Article ENER.8: Third-party access to transmission and distribution networks

1. Each Party shall ensure the implementation of a system of third-party access to their transmission and distribution networks based on published tariffs that are applied objectively and in a non-discriminatory manner.

2. Without prejudice to Article ENER.4 [Principles], each Party shall ensure that transmission and distribution system operators in its territory grant access to their transmission or distribution systems to entities in that Party's market within a reasonable period of time from the date of the request for access.

Each Party shall ensure that transmission system operators treat producers of renewable energy on reasonable and non-discriminatory terms regarding connection to, and use of, the electricity network.

The transmission or distribution system operator may refuse access where it lacks the necessary capacity. Duly substantiated reasons shall be given for any such refusal.

3. Without prejudice to legitimate public policy objectives, each Party shall ensure that charges applied to entities in that Party's market by transmission and distribution system operators for access to, connection to or the use of networks, and, where applicable, charges for related network reinforcements, are appropriately cost-reflective and transparent. Each Party shall ensure publication of the terms, conditions, tariffs and all such information that may be necessary for the effective exercise of the right of access to, and use of, transmission and distribution systems.

4. Each Party shall ensure that the tariffs and charges referred to in paragraphs 1 and 3 are applied in a non-discriminatory manner with respect to entities in that Party's market.

#### Article ENER.9: System operation and unbundling of transmission network operators

1. Each Party shall ensure that transmission system operators carry out their functions in a transparent, non-discriminatory way.

2. Each Party shall implement arrangements for transmission system operators which are effective in removing any conflicts of interest arising as a result of the same person exercising control over a transmission system operator and a producer or supplier.

#### Article ENER.10: Public policy objectives for third-party access and ownership unbundling

1. Where necessary to fulfil a legitimate public policy objective and based on objective criteria, a Party may decide not to apply Articles ENER.8 [Third-party access to transmission and distribution networks] and ENER.9 [System operation and unbundling of transmission network operators] to the following:

- (a) emergent or isolated markets or systems;
- (b) infrastructure which meets the conditions set out in Annex ENER-3.

2. Where necessary to fulfil a legitimate public policy objective and based on objective criteria, a Party may decide not to apply Articles ENER.5 [Competition in markets and non-discrimination] and ENER.6 [Provisions relating to wholesale electricity and gas markets] to:

- (a) small or isolated electricity markets or systems;
- (b) small, emergent or isolated natural gas markets or systems.

#### Article ENER.11: Existing exemptions for interconnectors

Each Party shall ensure that exemptions granted to interconnections between the Union and the United Kingdom under Article 63 of Regulation (EU) 2019/943 of the European Parliament and of the Council<sup>43</sup> and under the law transposing Article 36 of the Directive 2009/73/EC of the European Parliament and of the Council<sup>44</sup> in their respective jurisdictions, the terms of which extend beyond the transition period, continue to apply in accordance with the laws of their respective jurisdictions and the terms applicable.

#### Article ENER.12: Independent regulatory authority

1. Each Party shall ensure the designation and maintenance of an operationally independent regulatory authority or authorities for electricity and gas with the following powers and duties:

- (a) fixing or approving the tariffs, charges and conditions for access to networks referred to in Article ENER.8 [Third-party access to transmission and distribution networks], and the methodologies underlying them;
- (b) ensuring compliance with the arrangements referred to in Articles ENER.9 [System operation and unbundling of transmission network operators] and ENER.10 [Public policy objectives and third-party access and ownership unbundling];
- (c) issuing binding decisions at least in relation to points (a) and (b);
- (d) imposing effective remedies.

2. In performing those duties and exercising those powers, the independent regulatory authority or authorities shall act impartially and transparently.

#### *Section 2: Trading over interconnectors*

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<sup>43</sup> Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (OJ EU L 158, 14.6.2019, p. 54).

<sup>44</sup> Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas (OJ EU L 211, 14.8.2009, p. 94).

### Article ENER.13: Efficient use of electricity interconnectors

1. With the aim of ensuring the efficient use of electricity interconnectors and reducing barriers to trade between the Union and the United Kingdom, each Party shall ensure that:
  - (a) capacity allocation and congestion management on electricity interconnectors is market based, transparent and non-discriminatory;
  - (b) the maximum level of capacity of electricity interconnectors is made available, respecting the:
    - (i) need to ensure secure system operation; and
    - (ii) most efficient use of systems;
  - (c) electricity interconnector capacity may only be curtailed in emergency situations and any such curtailment takes place in a non-discriminatory manner;
  - (d) information on capacity calculation is published to support the objectives of this Article;
  - (e) there are no network charges on individual transactions on, and no reserve prices for the use of, electricity interconnectors;
  - (f) capacity allocation and congestion management across electricity interconnectors is coordinated between concerned Union transmission system operators and United Kingdom transmission system operators; this coordination shall involve the development of arrangements to deliver robust and efficient outcomes for all relevant timeframes, being forward, day-ahead, intraday and balancing; and
  - (g) capacity allocation and congestion management arrangements contribute to supportive conditions for the development of, and investment in, economically efficient electricity interconnection.
2. The coordination and arrangements referred to in point (f) of paragraph 1 shall not involve or imply participation by United Kingdom transmission system operators in Union procedures for capacity allocation and congestion management.
3. Each Party shall take the necessary steps to ensure the conclusion as soon as possible of a multi-party agreement relating to the compensation for the costs of hosting cross-border flows of electricity between:
  - (a) transmission system operators participating in the inter-transmission system operator compensation mechanism established by Commission Regulation (EU) No 838/2010<sup>45</sup>; and

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<sup>45</sup> Commission Regulation (EU) No 838/2010 of 23 September 2010 on laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging (OJ EU L 250, 24.9.2010, p. 5).



(b) United Kingdom transmission system operators.

4. The multi-party agreement referred to in paragraph 3 shall aim to ensure:

- (a) that United Kingdom transmission system operators are treated on an equivalent basis to a transmission system operator in a country participating in the inter-transmission system operator compensation mechanism; and
- (b) the treatment of United Kingdom transmission system operators is not more favourable in comparison to that which would apply to a transmission system operator participating in the inter-transmission system operator compensation mechanism.

5. Notwithstanding point (e) of paragraph 1, until such time as the multi-party agreement referred to in paragraph 3 has been concluded, a transmission system use fee may be levied on scheduled imports and exports between the Union and the United Kingdom.

#### Article 14: Electricity trading arrangements at all timeframes

1. For capacity allocation and congestion management at the day ahead stage, the Specialised Committee on Energy, as a matter of priority, shall take the necessary steps in accordance with Article ENER.19 [Cooperation between transmission system operators] to ensure that transmission system operators develop arrangements setting out technical procedures in accordance with Annex ENER-4 within a specific timeline.

2. If the Specialised Committee on Energy does not recommend that the Parties implement such technical procedures in accordance with Article ENER.19(4) [Cooperation between transmission system operators], it shall take decisions and make recommendations as necessary for electricity interconnector capacity to be allocated at the day-ahead market timeframe in accordance with Annex ENER-4.

3. The Specialised Committee on Energy shall keep under review the arrangements for all timeframes, and for balancing and intraday timeframes in particular, and may recommend that each Party requests its transmission system operators to prepare technical procedures in accordance with Article ENER.19 [Cooperation between transmission system operators] to improve arrangements for a particular timeframe.

4. The Specialised Committee on Energy shall keep under review whether the technical procedures developed in accordance with paragraph 1 continue to meet the requirements of Annex ENER-4, and shall promptly address any issues that are identified.

#### Article ENER.15: Efficient use of gas interconnectors

1. With the aim of ensuring the efficient use of gas interconnectors and reducing barriers to trade between the Union and the United Kingdom, each Party shall ensure that:

- (a) the maximum level of capacity of gas interconnectors is made available, respecting the principle of non-discrimination and taking account of:
  - (i) the need to ensure secure system operation; and

- (ii) the most efficient use of systems;
  - (b) capacity allocation mechanisms and congestion management procedures for gas interconnectors are market-based, transparent and non-discriminatory, and that auctions are generally used for the allocation of capacity at interconnection points.
2. Each Party shall take the necessary steps to ensure that:
- (a) transmission system operators endeavour to offer jointly standard capacity products which consist of corresponding entry and exit capacity at both sides of an interconnection point;
  - (b) transmission system operators coordinate procedures relating to the use of gas interconnectors between Union transmission system operators and United Kingdom transmission system operators concerned.
3. The coordination referred to in point (b) of paragraph 2 shall not involve or imply participation by United Kingdom transmission system operators in Union procedures relating to the use of gas interconnectors.

### *Section 3: Network development and security of supply*

#### Article ENER.16: Network development

1. The Parties shall cooperate to facilitate the timely development and interoperability of energy infrastructure connecting their territories.
2. Each Party shall ensure that network development plans for electricity and gas transmission systems are drawn up, published and regularly updated.

#### Article ENER.17: Cooperation on security of supply

1. The Parties shall cooperate with respect to the security of supply of electricity and natural gas.
2. The Parties shall exchange information on any risks identified pursuant to Article ENER.18 [Risk preparedness and emergency plans] in a timely manner.
3. The Parties shall share the plans referred to in Article ENER.18 [Risk preparedness and emergency plans]. For the Union, these plans may be at Member State or regional level.
4. The Parties shall inform each other without undue delay where there is reliable information that a disruption or other crisis relating to the supply of electricity or natural gas may occur and on measures planned or taken.
5. The Parties shall immediately inform each other in the event of an actual disruption or other crisis, in view of possible coordinated mitigation and restoration measures.
6. The Parties shall share best practices regarding short-term and seasonal adequacy assessments.

7. The Parties shall develop appropriate frameworks for cooperation with respect to the security of supply of electricity and natural gas.

#### Article ENER.18: Risk preparedness and emergency plans

1. Each Party shall assess risks affecting the security of supply of electricity or natural gas, including the likelihood and impact of such risks, and including cross-border risks.
2. Each Party shall establish and regularly update plans to address identified risks affecting the security of supply of electricity or natural gas. Such plans shall contain the measures needed to remove or mitigate the likelihood and impact of any risk identified under paragraph 1 and the measures needed to prepare for, and mitigate the impact of, an electricity or natural gas crisis.
3. The measures contained in the plans referred to in paragraph 2 shall:
  - (a) be clearly defined, transparent, proportionate, non-discriminatory and verifiable;
  - (b) not significantly distort trade between the Parties; and
  - (c) not endanger the security of supply of electricity or natural gas of the other Party.

In the event of a crisis, the Parties shall only activate non-market based measures as a last resort.

#### *Section 4: Technical cooperation*

#### Article ENER.19: Cooperation between transmission system operators

1. Each Party shall ensure that transmission system operators develop working arrangements that are efficient and inclusive in order to support the planning and operational tasks associated with meeting the objectives of this Title, including, when recommended by the Specialised Committee on Energy, the preparation of technical procedures to implement effectively the provisions of:
  - (a) Article ENER.13 [Efficient use of electricity interconnectors];
  - (b) Article ENER.14 [Electricity trading arrangements at all timeframes];
  - (c) Article ENER.15 [Efficient use of gas interconnectors];
  - (d) Article ENER.16 [Network development]; and
  - (e) Article ENER.17 [Cooperation on security of supply].

The working arrangements referred to in the first subparagraph shall include frameworks for cooperation between the European Network of Transmission System Operators for Electricity established in accordance with Regulation (EU) 2019/943 ("ENTSO-E") and the European Network of Transmission System Operators for Gas established in accordance with Regulation (EC) No 715/2009

of the European Parliament and of the Council<sup>46</sup> (“ENTSOG”), on the one side, and the transmission system operators for electricity and gas in the United Kingdom, on the other. Those frameworks shall cover at least the following areas:

- (a) electricity and gas markets;
- (b) access to networks;
- (c) the security of electricity and gas supply;
- (d) offshore energy;
- (e) infrastructure planning;
- (f) the efficient use of electricity and gas interconnectors; and
- (g) gas decarbonisation and gas quality.

The Specialised Committee on Energy shall agree on guidance on the working arrangements and frameworks for cooperation for dissemination to transmission system operators as soon as practicable.

The frameworks for cooperation mentioned in the second subparagraph shall not involve, or confer a status comparable to, membership in ENTSO-E or ENTSOG by United Kingdom transmission system operators.

2. The Specialised Committee on Energy may recommend that each Party requests its transmission system operators to prepare the technical procedures as referred to in the first subparagraph of paragraph 1.

3. Each Party shall ensure that its respective transmission system operators request the opinions of the Agency for the Cooperation of Energy Regulators and the regulatory authority in the United Kingdom designated in accordance with Article ENER.12 [Independent regulatory authority] on the technical procedures, respectively, in the event of a disagreement and in any event before the finalisation of those technical procedures. The Parties’ respective transmission system operators shall submit those opinions together with the draft technical procedures to the Specialised Committee on Energy.

4. The Specialised Committee on Energy shall review the draft technical procedures, and may recommend that the Parties implement such procedures in their respective domestic arrangements, taking due account of the opinions of the Agency for the Cooperation of Energy Regulators and the regulatory authority in the United Kingdom designated in accordance with Article ENER.12

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<sup>46</sup> Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (OJ EU L 211, 14.8.2009, p. 36).

[Independent regulatory authority]. The Specialised Committee on Energy shall monitor the effective operation of such technical procedures and may recommend that they be updated.

#### Article ENER.20: Cooperation between regulatory authorities

1. The Parties shall ensure that the Agency for the Cooperation of Energy Regulators and the regulatory authority in the United Kingdom designated in accordance with Article ENER.12 [Independent regulatory authority] develop contacts and enter into administrative arrangements as soon as possible in order to facilitate meeting the objectives of this Agreement. The contacts and administrative arrangements shall cover at least the following areas:

- (a) electricity and gas markets;
- (b) access to networks;
- (c) the prevention of market abuse on wholesale electricity and gas markets;
- (d) the security of electricity and gas supply;
- (e) infrastructure planning;
- (f) offshore energy;
- (g) the efficient use of electricity and gas interconnectors;
- (h) cooperation between transmission system operators; and
- (i) gas decarbonisation and gas quality.

The Specialised Committee on Energy shall agree on guidance on the administrative arrangements for such cooperation for dissemination to regulatory authorities as soon as practicable.

2. The administrative arrangements referred to in paragraph 1 shall not involve, or confer a status comparable to, participation in the Agency for the Cooperation of Energy Regulators by the regulatory authority in the United Kingdom designated in accordance with Article ENER.12 [Independent regulatory authority].

### Chapter 3: Safe and sustainable energy

#### Article ENER.21: Renewable energy and energy efficiency

1. Each Party shall promote energy efficiency and the use of energy from renewable sources.

Each Party shall ensure that its rules that apply to licencing or equivalent measures applicable to energy from renewable sources are necessary and proportionate.

2. The Union reaffirms the target for the share of gross final energy consumption from renewable energy sources in 2030 as set out in Directive (EU) 2018/2001 of the European Parliament and of the Council<sup>47</sup>.

The Union reaffirms its energy efficiency targets for 2030 as set out in the Directive 2012/27/EU of the European Parliament and of the Council<sup>48</sup>.

3. The United Kingdom reaffirms:

- (a) its ambition for the share of energy from renewable sources in gross final energy consumption in 2030 as set out in its National Energy and Climate Plan;
- (b) its ambition for the absolute level of primary and final energy consumption in 2030 as set out in its National Energy and Climate Plan.

4. The Parties shall keep each other informed in relation to the matters referred to in paragraphs 2 and 3.

#### Article ENER.22: Support for renewable energy

1. Each Party shall ensure that support for electricity from renewable sources facilitates the integration of electricity from renewable sources in the electricity market.

2. Biofuels, bioliquids and biomass shall only be supported as renewable energy if they meet robust criteria for sustainability and greenhouse gas emissions saving, which are subject to verification.

3. Each Party shall clearly define any technical specifications which are to be met by renewable energy equipment and systems in order to benefit from support schemes. Such technical specifications shall take into account cooperation developed under Article ENER.25 [Cooperation on standards], Article TBT.4 [Technical regulations] and Article TBT.5 [Standards].

#### Article ENER.23: Cooperation in the development of offshore renewable energy

1. The Parties shall cooperate in the development of offshore renewable energy by sharing best practices and, where appropriate, by facilitating the development of specific projects.

2. Building on the North Seas Energy Cooperation, the Parties shall enable the creation of a specific forum for technical discussions between the European Commission, ministries and public authorities of the Member States, United Kingdom ministries and public authorities, transmission system operators and the offshore energy industry and stakeholders more widely, in relation to

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<sup>47</sup> Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ EU L 328, 21.12.2018, p. 82).

<sup>48</sup> Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency (OJ EU L 315, 14.11.2012, p.1).

offshore grid development and the large renewable energy potential of the North Seas region. That cooperation shall include at least the following areas:

- (a) hybrid and joint projects;
- (b) maritime spatial planning;
- (c) support framework and finance;
- (d) best practices on respective onshore and offshore grid planning;
- (e) the sharing of information on new technologies; and
- (f) the exchange of best practices in relation to the relevant rules, regulations and technical standards.

#### Article ENER.24: Offshore risk and safety

1. The Parties shall cooperate and exchange information with the aim of maintaining high levels of safety and environmental protection for all offshore oil and gas operations.
2. The Parties shall take appropriate measures to prevent major accidents from offshore oil and gas operations and to limit the consequences of such accidents.
3. The Parties shall promote the exchange of best practices among their authorities that are competent for the safety and environmental protection of offshore oil and gas operations. The regulation of the safety and environmental protection of offshore oil and gas operations shall be independent from any functions relating to licensing of offshore oil and gas operations.

#### Article ENER.25: Cooperation on standards

In accordance with Article TBT.5 [Standards] and Article TBT.11 [Cooperation], the Parties shall promote cooperation between the regulators and standardisation bodies located within their respective territories to facilitate the development of international standards with respect to energy efficiency and renewable energy, with a view to contributing to sustainable energy and climate policy.

#### Article ENER.26: Research, development and innovation

The Parties shall promote research, development and innovation in the areas of energy efficiency and renewable energy.

### Chapter 4: Energy goods and raw materials

#### Article ENER.27: Export pricing

A Party shall not impose a higher price for exports of energy goods or raw materials to the other Party than the price charged for those energy goods or raw materials when destined for the domestic market, by means of any measures such as licences or minimum price requirements.

#### Article ENER.28: Regulated pricing

If a Party decides to regulate the price of the domestic supply to consumers of electricity or natural gas, it may do so only to achieve a public policy objective, and only by imposing a regulated price that is clearly defined, transparent, non-discriminatory and proportionate.

#### Article ENER.29: Authorisation for exploration and production of hydrocarbons and generation of electricity

1. If a Party requires an authorisation for exploration or production of hydrocarbons or generation of electricity, that Party shall grant such authorisations on the basis of objective and non-discriminatory criteria which are drawn up and published before the start of the period for submission of applications in accordance with the general conditions and procedures set out in Section 1 [Domestic regulation] of Chapter 5 [Regulatory framework] of Title II [Services and investment].

2. Notwithstanding paragraph 1 of this Article and Article ENER.3 [Relationship with other Titles], each Party may grant authorisations related to exploration for or the production of hydrocarbons without complying with the conditions and procedures related to publication set out in Article SERVIN.5.8 [Publication and information available] on the basis of duly justified exemptions as provided for in applicable legislation.

3. Financial contributions or contributions in kind required from entities to which an authorisation is granted shall not interfere with the management and decision-making process of such entities.

4. Each Party shall provide that an applicant for authorisation has the right to appeal any decision concerning the authorisation to an authority higher than or independent from the authority that issued the decision or to request that such a higher or independent authority review that decision. Each Party shall ensure that the applicant is provided with the reasons for the administrative decision to enable the applicant to have recourse to the procedures for appeal or review if necessary. The applicable rules for appeal or review shall be published.

#### Article ENER.30: Safety and integrity of energy equipment and infrastructure

This Title shall not be construed as preventing a Party from adopting temporary measures necessary to protect the safety and preserve the integrity of energy equipment or infrastructure, provided that those measures are not applied in a manner which would constitute a disguised restriction on trade or investment between the Parties.

### Chapter 5: Final provisions

#### Article ENER.31: Effective implementation and amendments

1. The Partnership Council may amend Annex ENER-1 and Annex ENER-3. The Partnership Council may update Annex ENER-2 as necessary to ensure the operation of that Annex over time.

2. The Specialised Committee on Energy may amend Annex ENER-4.



3. The Specialised Committee on Energy shall make recommendations as necessary to ensure the effective implementation of the Chapters of this Title for which it is responsible.

#### Article ENER.32: Dialogue

The Parties shall establish a regular dialogue to facilitate meeting the objectives of this Title.

#### Article ENER.33: Termination of this Title

1. This Title shall cease to apply on 30 June 2026.
2. Notwithstanding paragraph 1, between 1 July 2026 and 31 December 2026 the Partnership Council may decide that this Title will apply until 31 March 2027. Between 1 April 2027 and 31 December 2027, as well as at any point of time in any subsequent year, the Partnership Council may decide that this Title will apply until 31 March of the following year.
3. This Article applies without prejudice to Articles FISH.17 [Termination], FINPROV.8 [Termination] and OTH.10 [Termination of Part Two].

### TITLE IX: TRANSPARENCY

#### Article TRNSY.1: Objective

1. Recognising the impact that their respective regulatory environments may have on trade and investment between them, the Parties aim to provide a predictable regulatory environment and efficient procedures for economic operators, especially for small and medium-sized enterprises.
2. The Parties affirm their commitments in relation to transparency under the WTO Agreement, and build on those commitments in the provisions laid down in this Title.

#### Article TRNSY.2: Definition

For the purposes of this Title, “administrative decision” means a decision or action with legal effect that applies to a specific person, good or service in an individual case, and covers the failure to take a decision or take such action when that is so required by the law of a Party.

#### Article TRNSY.3: Scope

This Title applies with respect to Titles I to VIII and Titles X to XII and Heading Six [Other provisions].

#### Article TRNSY.4: Publication

1. Each Party shall ensure that its laws, regulations, procedures and administrative rulings of general application are promptly published via an officially designated medium, and, where feasible, by electronic means, or are otherwise made available in such a manner as to enable any person to become acquainted with them.
2. To the extent appropriate, each Party shall provide an explanation of the objective of and rationale for measures referred to in paragraph 1.