



European Energy Regulators'

Work Programme 2008

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EXECUTIVE SUMMARY

Given the European Commission's Third Energy Liberalisation Package (19th September 2007) and their expected legislative proposals (January 2008) for legislative measures to meet Europe's climate change targets, 2008 will be a pivotal year for the development of the energy regulatory framework in Europe. These legislative proposals feature heavily in the Regulators' 2008 Work Programme.

In parallel, the regulators will continue to work on critical elements needed to implement the existing legislation and to put into practice an effective European Union (EU) market in electricity and gas. To this end, we have consulted the European Commission (EC).

As was the case in previous years, our priorities focus on trying to ensure non-discriminatory access to networks, encouraging investment and facilitating cross-border trade and market integration, transparency of information and effective unbundling so as to deliver well-functioning electricity and natural gas markets characterised by real choice for consumers. Key tools for reaching these objectives include: European Regulators Group for Electricity and Gas (EREG) guidelines of good practice; monitoring reports on the level of compliance with existing legislation/guidelines; recommendations and advice to the EC; and the EREG Regional Initiative framework.

There are four major themes in the 2008 Work Programme:

1. Third Energy Liberalisation Package proposals

On 19th September 2007 the European Commission published its proposals for the Third Energy Package. Key aspects of the proposals include strengthening the powers and independence of national regulators, creating a new Agency for the Cooperation of Energy Regulators (ACER), enhancing cooperation between Transmission System Operators (TSOs), improving the functioning of the market and the effective unbundling of supply and production activities from network operations. The Commission's proposals are now going through the codecision procedure, involving the European Parliament and Council, before being adopted.

An important aspect of the proposed new EU Agency's work should be its contribution to

the development of an integrated competitive energy market for the Union. In 2008, the Council of European Energy Regulators (CEER) will explore: how the inter-relationship between the proposed new EU Agency and the proposed new European Network of European Transmission System Operators (ENTSOs) could best be improved in order to work in practice; and how sound regulatory oversight at EU level could be guaranteed. Such issues include: the mandating of the TSO work; how the overall monitoring process will be undertaken; and how formal consultation, from which regulators will advise the Commission at the end of the process, will be arranged.

In order to properly address the new issues arising in the context of the Third Energy Package, the CEER has created a new working group – the Energy Package Working Group (ENP WG) – which will specifically focus on organisational and institutional matters.

Specific technical issues in the Third Package proposals are reflected in the working areas of the Working Groups. For electricity and gas these include issues related to the eleven areas governing technical and market codes (in the electricity and gas Regulations) such as: (i) the definition of the EU grid; (ii) the preparation (where appropriate) of guidelines of good practice or discussion papers on the areas where TSOs are requested to produce technical network codes; and (iii) drafting ERGEG guidelines of good practice on access to storage and Liquefied Natural Gas (LNG) facilities. The CEER will also continue to work on unbundling issues, including evidential work on the merits of ownership unbundling.

A new priority deriving from the Third Package proposals concerns the relationship between energy and financial markets. A new Financial Services Working Group (FIS WG) will deal with energy financial issues with impact on market participants and energy financial products. It will develop proposals on transparency in energy trading and recommendations on record keeping as advice to the European Commission. This should culminate in ERGEG Guidelines of Good Practice on Energy Trading. The Working Group will concentrate on examining regulatory oversight on financial aspects of the electricity and gas wholesale markets and on identifying possible regulatory gaps in relation with the regulatory regime foreseen under the financial markets regulatory regime (as governed by the Markets in Financial Instruments Directive (MiFID) and the Capital Adequacy Directive (CAD))

2. Facilitating proper implementation of existing legislation and rules

Regulators see the need for full implementation of existing legislation as an imperative for sustainable, competitive and secure energy markets in Europe. This work has also been identified by the European Commission as a major task to promote competition. For their part, regulators will continue to focus on the consolidation and implementation of the current legal framework by monitoring and reporting on compliance with existing rules and advising the European Commission on appropriate enforcement measures or actions to be taken. In 2008 regulators will monitor compliance with the current Electricity and Gas Regulations including those Guidelines found in Annex III, the Commission's Draft Explanatory Notes (DEN) and ERGEG guidelines of good practice (e.g. Guidelines of Good Practice on Gas Balancing (GGP-GB); Guidelines of Good Practice on Liquefied Natural Gas (GGP-LNG) and Guidelines of Good Practice on Open Seasons (GGP-OS)).

It is anticipated that in 2008, ERGEG may prepare further guidelines of good practice or legislative amendment proposals. New guidelines of good practice under development by regulators include: guidelines of good practice on electricity losses treatment; on energy trading; on Third Party Access (TPA) to LNG facilities; and on gas capacity allocation and Congestion Management (CM). Already in 2007, ERGEG advised the European Commission on the need for legally binding rules in certain areas (e.g. gas balancing, transparency). Regulators are ready to advise the European Commission on other key issues such as: electricity market design; maximising available interconnection capacity; developing the EU grid; and tariffication.

3. The Electricity and Gas Regional Initiatives

The ERGEG Electricity and Gas Regional Initiatives (RI) were created in 2006 as a platform for identifying solutions to the practical problems of the lack of regional market integration. They are now delivering real results and are considered a catalyst for regional energy market integration in Europe. In 2008 regulators will continue to work at both national and European level to make the RI a success story, as it is our belief that they are the cornerstones in the development towards a well-functioning European energy market. In 2007 ERGEG conducted two separate public consultation exercises (for gas and electricity respectively) on the coherence and convergence of the regions towards a single EU market. This work will be taken forward in 2008.

In the regions, the RI will continue to be used as an effective mechanism for identifying problems, harmonising standards, monitoring compliance and reporting on enforcement.

At EU level, the focus remains on concrete deliverables towards a single market integration, on coherence and convergence among and across the regions, and on the evolving role of the RI in light of the regional provisions of the Third Energy Package proposals. The Explanatory Memorandum of the Third Package proposal states that the “regulatory framework should promote, coordinate and develop regional initiatives between transmission system operator and regulatory authorities, as happens with the RI led by ERGEG and initiatives such as the Pentilateral forum in Northwest Europe”.

The Third Package proposal contains a number of provisions for greater regional cooperation. These include a requirement for Member States to “cooperate among themselves for the purposes of integrating their national markets at least at the regional level” and “in particular, Member States shall promote the cooperation of network operators at a regional level, and foster the consistency of their legal and regulatory framework”. There are also regional provisions placed on TSOs, national regulators and the new EU Agency.

4. Security of supply, inter-dependence and regulatory cooperation

Security of supply and environmental objectives are also issues for regulators in the year to come. A new electricity Sustainable Development Task Force (SDE TF) has been established to continue the work of the Environmental Task Force and the ad hoc Renewables Task Force. It will address indicators of European regulators' work with respect to sustainability and issues pertinent to the Commission's expected energy and climate change legislative proposals including phase 3 of the EU Emission Trading Scheme (EU ETS 3) and renewables support scheme issues.

Addressing regulatory aspects of security of supply represents a major challenge for European regulators. Security of supply, along with the competitiveness and liberalisation objectives, has always been present throughout the Regulators' Work Programme. Examples in 2008 include continued work in the areas of: (i) electricity generation adequacy; (ii) demand flexibility; (iii) system adequacy forecasting; and (iv) information exchange in case of energy security threats. In the gas sector, the role of new gas investments is of significant importance to ensure security of supply. Work on LNG and

gas storage will also contribute to the work on security of supply. Security of supply is also among the priority axes for Regulators' international cooperation. This task involves maintaining "strategic relations" with important gas supply and/or transit countries, such as Russia, Algeria, Ukraine and Moldova, countries of the "Baku Initiative", some ERRA members, and EUROMED countries.

European regulators will additionally deepen international regulatory collaboration in two other priority areas, namely: (i) supporting the implementation of the EU energy acquis; and (ii) structuring the dialogue between the European regulators and other regulators/regulatory associations. Via the Energy Community Working Group, regulators will continue to pursue their aim of building a common regulatory space around Europe through the Energy Community process of South East Europe. A roundtable meeting of EU-US regulators held in December 2007 identified key areas for enhanced regulatory cooperation between the CEER and its US counterparts (NARUC and FERC).

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1. INTRODUCTION

The CEER is the organisation in which national European regulators of electricity and gas come together in order to pursue cooperatively issues of common interest and concern. The CEER prepares work for ERGEG. The work of the European energy regulators is aimed at promoting effective competition in European gas and electricity markets, achievable through a successful liberalisation process leading to the establishment of a single European energy market. Given the EC's Third Energy Liberalisation Package (19th September 2007) and their expected legislative proposals (January 2008) for legislative measures to meet Europe's climate change targets, 2008 will be a pivotal year for the development of the energy regulatory framework in Europe. These legislative proposals feature heavily in the Regulators' 2008 Work Programme. In parallel, the regulators will continue to work on critical elements needed to implement the existing legislation and to put into practice an effective EU market for electricity and gas. As was the case in previous years, the regulators' priorities focus on trying to ensure non-discriminatory access to infrastructure and services, encouraging investment and facilitating cross-border trade and market integration, transparency of information and effective unbundling so as to deliver real choice and value for consumers.

There are four major themes in the 2008 CEER/ERGEG Work Programme:

1. Third Energy Liberalisation Package proposals;
2. Facilitating proper implementation of existing legislation and rules;
3. The Electricity and Gas RIs; and
4. Security of supply, inter-dependence and regulatory cooperation.

Key tools of the trade to reach these objectives include ERGEG guidelines of good practice, monitoring reports on the level of compliance with existing legislation/guidelines, recommendations and advice to the European Commission, and the ERGEG RIs (which are a platform for identifying real solutions to the practical problems of the lack of regional market integration). In the following chapters, the 2008 deliverables are described under the headings of the respective Working Group (WG) Focus Group (FG) or Task Force (TF). The Annexes contain the organisational structure and a list of useful abbreviations.

2. ENERGY PACKAGE WORKING GROUP (ENP WG)

Background

The European Commission published its proposals on the Third Energy Package on 19th September. Rather than being one consolidated document, it takes the form of a set of five papers: two amending the Electricity and Gas Regulations, two amending the Electricity and Gas Directives, and one new Regulation establishing the ACER.

The Energy Working Party (of the Council) started scrutinising the Third Energy Package Proposals. The European Parliament has appointed separate rapporteurs for each report. For us, this split requires a good deal of coordination between the Energy Package (ENP) WG, the Electricity Focus Group (EFG)/Gas Focus Groups (GFG) technical TFs, other WGs and TFs, and the CEER Secretariat so as to effectively follow the codecision process (debate, amendments, timing etc.) on five separate documents and manage the process efficiently within the CEER so as to have timely positions that can be communicated externally.

The main task of the ENP WG is to prepare and coordinate CEER/EREGG positions on all Third Package related items on a horizontal basis. The specific issues relevant to electricity and gas (i.e. the definition of the EU grid in gas and electricity, the preparation of the draft detailed guidelines on the areas reflected in the Commission proposals where TSOs are requested to provide draft technical network codes in electricity and gas, the technical cooperation with TSOs where necessary and useful and the draft ERGEG guidelines on access to storage and LNG facilities in cooperation with the GFG) will need to be addressed by technical experts from NRAs in electricity and gas, who will make up the dedicated electricity and gas TFs on the Third Package. These technical TFs will operate under the EFG and GFG, but appropriate coordination with the ENP WG needs to be ensured.

The mandate of the ENP WG is to bring forward CEER/EREGG's work on detailed aspects of the Third Package proposals.

It will also be an ongoing duty of the ENP WG Chair to identify policy issues as they emerge during the negotiations, and to bring them to the attention of the Board and GA with, where appropriate, a proposal for lines to take. The ENP WG will be in charge of preparing such position papers.

The following issues related to the Commission's Third Package Proposals will be part of the 2008 work:

- Legal aspects of the Commission's proposals on the Agency, including its governance arrangements and its powers;
- The actual extent and limits of national regulators' powers including their interface with the responsibilities entrusted to the Agency; the broad areas assigned to the TSOs for developing codes and what outcome should be expected in terms of European networks, and how the public interest can be protected by the Agency;
- A review of the NRAs powers and responsibilities, including their independence (term limits and dismissal conditions; financial autonomy; institutional independence; and accountability) and functional supervision powers (tariffs setting; VPPs; gas release; record-keeping obligations; and powers to impose penalties);
- Issues related to the regional coordination by TSOs and the future role of the Regional Initiatives;
- Unbundling aspects with regard to the practical experiences in Member States where there is full ownership unbundling regarding third party access, prices and quality of supply.
- Consumer protection issues and regulatory oversight of effectiveness of relevant measures to ensure high standards of universal and public service, protection of vulnerable consumers, access to customer consumption data when changing supplier, and the creation of a retail forum.

3. FINANCIAL SERVICES WORKING GROUP (FIS WG)

Background

With the development of the European internal market the trading of energy products increases rapidly. The products traded include not only physical products for long or short-term delivery but also energy derivatives (i.e. financial products like futures and options). With the intention to foster a European-level playing field, the European Commission tackles the issue of trading and transparency with its proposals for the Third Package. Against this background, the Financial Services Working Group (FIS WG) will analyse the needs and possible contents of future GGP on energy trading.

Furthermore, the regulatory and supervisory regime plays an important role in the functioning and integrity of the markets. Trading covers not only physical trading but also financial trading. As regards financial markets, the regulatory regime is set up in MiFID and the Capital Adequacy Directive (CAD). To a certain extent, these already include commodity based financial markets. However, the general applicability of the supervisory regime set up by MiFID and CAD to commodity based financial markets is currently under review by the Commission. When tackling the issue of trading, information exchange between the CEER and the Committee of European Securities Regulators (CESR) is important. Information exchange with other organisations like the Committee of European Banking Supervisors (CEBS), the International Swaps and Derivatives Association (ISDA) or the European Federation of Energy Traders (EFET) might also be considered by the Working Group. Cooperation between the relevant regulatory authorities is also considered necessary by the Commission when investigating and advising on the question of whether transactions in electricity/gas supply contracts and derivatives should be subject to pre and/or post-trade transparency requirements and, if so, what the content of those requirements should be.

Articles 22f and 24f of the Commission's proposals for amending Directives 2003/54 and 2003/55, respectively, provide in similar terms, for the obligation of the record keeping with regard to the data relating to all transactions in electricity and gas supply contracts and derivatives with wholesale customers and transmission system operators as well as with LNG operators. These data shall include, inter alia, details of all unsettled electricity/gas supply contracts and electricity/gas derivatives. These obligations shall not apply to information about financial instruments, which falls within the scope of Directive 2004/39/EC. To ensure the uniform application of this article, the Commission may adopt guidelines which define the methods and

arrangements for record keeping, as well as the form and content of the data that shall be kept. With respect to transactions in electricity/gas derivatives of supply undertakings with wholesale customers and transmission system operators (as well as storage and LNG operators), this article will only apply once the Commission has adopted the guidelines. As reflected in the Commission's proposals, "regulators of the energy market and the financial markets need to cooperate in order to enable each other to have an overview over the markets concerned. Prior to adoption of guidelines defining record keeping requirements, ACER and CESR are invited to cooperate and advise the Commission on the content of the guidelines."

Following the publication of the Commission's Third Package Proposals, the Commission has published their [mandate](#) for joint advice from CESR and ERGEG on issues concerning record keeping, data finding, market abuse and transparency of transactions in electricity and gas supply contracts and derivatives. The mandate is given in order to find out if additional measures are necessary with respect to transparency in energy trading, following the adoption of the legislative proposals for the internal gas and electricity markets. It is also meant to provide to the Commission the adequate technical background to adopt the guidelines under Articles 22f/24f and Recitals 20 and 22 in the two proposals for Directives amending Directive 2003/54/EC and Directive 2003/55/EC.

The FIS WG will:

- elaborate on regulatory oversight of wholesale markets and identify possible regulatory gaps in relation to the regulatory regime envisaged under MiFID and CAD;
- propose transparency requirements in trading derivatives and financial products and recommendations on record keeping as advice to the Commission on binding guidelines;
- analyse the needs and possible contents of future GGP on energy trading;
- provide an analysis of factors that influence the liquidity of electricity markets as background information on the functioning of energy trading and markets; and
- address appropriate future financing of system operators.

3.1 Issues to be addressed

- FIS-1 - Regulatory oversight of energy products
- FIS-2 - Record-keeping and transparency requirements for wholesale transactions

3.1.1 Regulatory oversight of energy products

CEER deliverable



FIS-1: CEER Status Review of regulatory oversight of wholesale products (physical and financial) at power exchanges and in the OTC (Over The Counter) market and identification of regulatory gaps including a proposal on how to fill the gaps.

Justification

A report on the current regime regarding regulatory oversight of wholesale products, especially focusing on current regulation of commodity based financial markets under the MiFID and the CAD is required to describe the current situation and give background information. The results of this deliverable will be used as input for the deliverables FIS-2a and FIS-2b. The reason is that regulatory oversight (addressed in FIS-1), the necessary informational background for supervision (addressed in FIS-2b) and transparency requirements (addressed in FIS-2a), which are necessary to guarantee the integrity of the market and foster competition, are highly interrelated and cannot be tackled separately.

Information exchange with CESR is important as regards the regulatory regime of financial markets under MiFID. Furthermore, according to Recital 20/22 of the Commission proposals for two Directives amending the Electricity and Gas Directives, ACER and CESR should cooperate to further investigate and advise on the question of whether transactions in electricity/gas supply contracts and derivatives should be subject to pre and/or post-trade transparency requirements and if so, what the content of those requirements should be. ERGEG and CESR have received a joint mandate to submit their advice to the Commission to this respect. Furthermore, information exchange with other organisations like CEBS, the ISDA or EFET might also be considered by the Working Group.

Approach

A report on the current regime regarding regulatory oversight of wholesale products, especially focusing on current regulation of commodity-based financial markets under MiFID will be produced by the FIS WG. The report will address the questions on data finding and market abuse of the Commission joint mandate for advice from CESR and ERGEG.

The phrase “regulatory oversight” should be understood to mean both “regulation” (as in defining

rules) and “surveillance” (as in monitoring the market and detecting market abuse). As there are strong interrelations between derivatives (i.e. financial products) and the underlying physical products, the analysis will cover physical and financial trading at power exchanges and in the OTC market. The report will try to clearly specify the difference between a “financial” and a “physical” product and the WG will have to find a consensus on the vocabulary employed. It will identify any regulatory gaps and include a proposal on how to fill any identified regulatory gaps. The proposal will take into account not only the current legislative framework but also any foreseeable changes in the legislation. In particular, the FIS WG will investigate the relationship between existing financial regulation and the amendments to Directives and Regulations proposed by the European Commission and, if necessary, propose amendments during the legislative process of the Third Package.

Another relevant activity for the issues tackled within this WG is to evaluate any reports issued by CESR or others within the review of the supervisory regime set up by CAD and MiFID through the European Commission, which is due at the end of 2008.

The WG will consider all papers already elaborated by CEER/EREGG relating to the issues raised. There will also be coordination with the EFG/GFG if necessary.

If necessary, the WG may use input from external consultants. Possible contents of a legal consultancy, for instance, could be:

- the different types of players identified by MiFID (e.g. traders, multilateral trading facilities , brokers);
- the obligations imposed by MiFID on the different types of companies and the possible exemptions;
- the competent authority they are reporting to;
- the exact content of these reports; and
- the power and the effective activity of these authorities over electricity and gas products.

Next steps

After GA approval the report will be published and if deemed necessary a public hearing will be conducted.

3.1.2 Record-keeping and transparency requirements for wholesale transactions

CEER deliverable



FIS-2a: CEER Advice on transparency requirements for wholesale transactions, based on an analysis of the status quo and the consequences of a certain level of transparency on the market/behaviour of market participants.

Justification

The Commission will examine the issue of transparency of derivatives and financial instruments, with respect to which these proposals do not provide for additional requirements on the companies concerned, in detail and reach a conclusion towards the middle of 2008. Following the publication of the Commission's Third Package Proposals, the Commission has published their mandate for joint advice from CESR and ERGEG on issues concerning transparency of transactions in electricity and gas supply contracts and derivatives. The issues to be addressed include: Arrangements for making available the aggregated market data; Requirements under national legislation for the "post trade" and "pre trade" publication of information; Differences in transparency requirements for spot trading, future and forward trading as well as exchange trade compared to OTC trading; Is access to information equal?, etc.

ERGEG and CESR should cooperate to further investigate and advice on the question of whether transactions in electricity/gas supply contracts and derivatives should be subject to pre and/or post-trade transparency requirements and if so, what the content of those requirements should be.

Approach

The WG will analyse the currently applied transparency requirements in energy trading in different countries. Special focus shall be put on energy trading at power exchanges and OTC. The outcome will be a recommendation on an appropriate level of transparency.

The proposition shall include: a detailed list of elements of information to be made available; descriptions of the elements of information; and the ways of making the information available. The transparency requirements already included in the Guidelines of Good Practice for Information Management and Transparency, as well as the regional transparency reports produced under the umbrella of the RIs, shall be considered in this work.

The proposals made by the FIS WG will have to be analysed with regard to their effects on competition and on the behaviour of market participants. Possible differences between the electricity and gas markets will be assessed if necessary. The task relates primarily to financial trading. Hence, the obligations on market participants, especially with regard to transparency requirements resulting from the MiFID and the CAD, have to be considered. But also physical trading may be analysed if deemed to be necessary in order to fulfil the overall task.

As with task FIS-1, information exchange between the CEER and CESR is important. Information exchange with other organisations like the CEBS, the ISDA or EFET shall also be considered by the FIS WG.

As there are interrelations between the work done by the FIS WG and the work that will be done by the EFG/GFG on physical markets (like balancing and intra-day markets), the WG will coordinate its work and cooperate with the EFG/GFG.

Next steps

If deemed necessary, the outcome of this deliverable can be put to public consultation.

CEER deliverable



FIS-2b: CEER Advice on record keeping based on Articles 22f and 24f of the Commission's proposals for amending Directives 2003/54 and 2003/55, as input for binding guidelines to be adopted by the Commission, following the European Commission's mandate.

Justification

Recital 20/22 of the Commission's proposal for amending the Electricity and Gas Directives invites ACER and CESR to cooperate, prior to the adoption of guidelines that further define the electricity/gas transaction record-keeping requirements under Article 22f (4)/24f (4) of the Directives by the Commission, in order to investigate and advise the Commission on the content of such guidelines.

These articles provide for the obligation of record keeping with regard to data relating to all transactions in electricity and gas supply contracts and electricity and gas derivatives with wholesale customers and transmission system operators, as well as with LNG operators. These data shall include, inter alia, details of all unsettled electricity/gas supply contracts and electricity/gas derivatives. However, this shall not apply to information about financial instruments,

which fall within the scope of Directive 2004/39/EC. To ensure the uniform application of this article, the Commission may adopt guidelines which define the methods and arrangements for record keeping as well as the form and content of the data that shall be kept. With respect to transactions in electricity/gas derivatives of supply undertakings with wholesale customers and transmission system operators (as well as with storage and LNG operators), these articles will only apply once the Commission has adopted the guidelines. The Commission has submitted its mandate to ERGEG and CESR for advice including: the necessity for a different treatment on the record keeping obligations under the electricity/gas Directives and the existing obligations by reason of MiFID; the Commission's Guidelines should address transactions in electricity and gas supply (spot) contracts, derivatives contracts; how should this information be kept; cooperation with securities regulators and exchange of data with energy regulators; the necessity of a Transaction Reporting exchange mechanism.

Some types of traders (e.g. banks) already have obligations on the provision of information to regulatory authorities under MiFID and they should not have double obligations. Therefore, the record-keeping obligations should be without prejudice to, and compatible with, the existing Community legislation on financial markets.

Approach

The FIS WG will analyse the content and form of the data that should be stored in order to enable regulatory authorities to analyse the behaviour of market participants and possible market power abuse. Possible differences between the electricity and gas markets with regard to the data which should be kept will be assessed and, if necessary, appropriately taken into account. The results of this analysis will be used to develop recommendations for the Commission on the content of the guidelines.

When analysing the record-keeping requirements, the WG will use the results of deliverable FIS-1. Furthermore, information exchange with CESR and the Commission (e.g. on the overlap in record-keeping requirements of the MiFID and the Commission's proposal for amending Directives and Regulations and on the current practice for record keeping with regard to other financial markets) is important for the fulfilment of this task. The FIS WG will therefore exchange information with CESR and possibly other relevant authorities.

Next steps

After GA approval the recommendations will be publicly consulted and finalised.

4. ELECTRICITY WORKING AND FOCUS GROUP (EWG/EFG)

Background

In 2007 the Electricity Working and Focus Groups (EWG/EFG) focused on the Electricity Regional Initiative (ERI), security and quality of supply, monitoring of compliance with Regulation 1228/2003/EC and emissions trading. A specific task force dedicated to the ERI provided continuous monitoring of the progress in the regions and prepared a coherence and convergence assessment of the Initiative. The system disturbance of 4th November 2007 created an urgent need to investigate the incident and to provide the lessons to be learned from it, with the ERGEG final report published in February 2007. At the 2007 Florence Forum, the regulators for the first time presented their report on compliance with Regulation 1228/2003/EC and the Congestion Management Guidelines; cf. Article 8 of the Regulation. Security of supply work has covered both generation adequacy and the security of networks, and the work will continue in 2008. The emissions trading scheme has had a significant effect on the electricity market and the regulators' report analysed the scheme and proposed improvements.

The Work Programme 2008 reflects the issues of the European Commission's proposals in the Third Legislative Package and the priorities identified by the regulators when assessing the work necessary to ensure and enhance the development of the Internal Electricity Market. A new Electricity Network and Market Task Force (ENM TF) has been created by merging the previous Electricity Market and Transmission Network Task Forces, with the aim of collecting those TSO and electricity market-related issues into one task force with a direct link to the TSO tasks listed in the proposal to amend Regulation (EC) 1228/2003. The work of the new ENM Task Force will cover among other things issues like security and reliability, grid connection and access, market design, CM, transparency, balancing and infrastructure investments.

The ERGEG ERI continues to be a key area of work in 2008. The significance of monitoring the progress and solutions and thus enabling the evaluation of convergence has become very important as the plans to improve the functioning of the regional markets are becoming more concrete and are approaching the implementation phase.

The security of supply-related work will be continued with the aim of improving the assessment of generation adequacy when moving from the national to the regional level and further to synchronous areas and to the EU level. Furthermore, work will be continued on up-to-date and correct information on the status and prospects of security of supply, as it is of high importance to relevant authorities, market operators and market actors including customers.

In 2008 the fourth regulators' Benchmarking Report of Quality of Electricity Supply will be prepared and published. Additionally, the regulators will participate in CENELEC's work to develop a voltage quality standard.

Work on sustainable development concentrates on an assessment of support schemes for renewables and energy efficiency schemes.

Organisation of EWG/EFG activities and issues to be addressed

- I. Electricity Network and Market Task Force (ENM TF)
 - ENM-1 - Framework for the EU electricity grid
 - ENM-2 - Electricity market design issues
 - ENM-3 - Evolution of congestion management (CM)
 - ENM-4 - Balancing and intra-day markets
 - ENM-5 - Evolution of inter-TSO compensation and transmission tariffs structure
 - ENM-6 - Infrastructure investments
 - ENM-7 - Treatment of losses by network operators
- II. Electricity Regional Initiatives Task Force (ERI TF)
 - ERI-1 - Public presentation of RI results
 - ERI-2 - Coherence and convergence
- III. Electricity Security of Supply Task Force (ESS TF)
 - ESS-1 - Generation adequacy
 - ESS-2 - Information exchange platform on the security of supply situation
 - ESS-3 - System adequacy monitoring and reporting
- IV. Electricity Quality of Supply Task Force (EQS TF)
 - EQS-1 - Quality of electricity supply
 - EQS-2 - Voltage quality regulation
 - EQS-3 - Joint work with other CEER/ERGEG structures about quality of service-related subjects
- V. Sustainable Development Task Force (SDE TF)
 - SDE-1 - RES_E support schemes
 - SDE-2 - Sustainable development

4.1 Electricity Network and Market Task Force (ENM TF)

Issues to be addressed

- ENM-1: Framework for the EU electricity grid
- ENM-2: Electricity market design issues
- ENM-3: Evolution of congestion management (CM)
- ENM-4: Balancing and intra-day markets
- ENM-5: Evolution of inter-TSO compensation and transmission tariffs structure
- ENM-6: Infrastructure investments
- ENM-7: Treatment of losses by network operators

Background

The European Commission published its proposal to amend Regulation (EC) 1228/2003. The new Article 2c contains a list of eleven topics for which the new European Organisations for TSOs (ENTSOs) is expected to draft and agree on technical and market codes. Furthermore, Article 2c also contains requirements for a 10-year investment plan and generation adequacy outlooks, which the ENTSOs organisation is mandated to agree upon as well. The role of ACER is to provide its justified opinion on the codes, the investment plan and the adequacy outlook.

The objective of the ENM TF is to prepare the energy regulators' views on the said codes and the 10-year investment plan. Depending on the topics, the TF will prepare discussion papers, position papers or guidelines of good practice. These documents will contain the criteria that the energy regulators need to assess the codes and other issues of relevance. According to the Commission's proposal, the Agency has to evaluate whether a technical or market code, a 10-year investment plan and adequacy outlooks ensure non-discrimination, effective competition and the efficient functioning of the market.

The new ENM TF combines the work of the previous Electricity Transmission Network and Electricity Market Task Forces so as to address effectively the work on the codes and rules to be prepared by the ENTSOs under the Commission's Third Package proposals.

It is intended to organise the identified topics into projects for each of which a "Project Manager" and a small drafting team of experts is nominated. The Task Force will coordinate and discuss the details of the deliverable and the Focus Group will finalise the deliverables. The work will be organised with the view not to work on all the topics simultaneously. Instead, the planned timing

of the work allows for the efficient preparation of the documents.

During the course of the work, the ENM TF and the EFG will exchange views with the TSO organisations and other stakeholders where necessary, in order to ensure good coordination between the two counterparts and to guarantee the best outcome for the functioning of the integrated electricity market.

In addition to the deliverables listed below other areas of work to be addressed by the ENM TF include the methods to incentivise the TSOs towards maximising interconnection capacity offered to the market and its efficient use through the implementation of CM methods; the firmness of interconnection capacity products; work on transparency and the follow up the GGP-IMT implementation and the implementation of the relevant transparency provisions from the CM Guidelines.

4.1.1 Framework for the EU Electricity Grid

EREGEG deliverables



ENM-1a: ERGEG Guidelines of Good Practice for Security and Reliability Rules



ENM-1b: ERGEG Discussion Paper on grid connection and access rules

Justification

The following policy issue calls for a detailed specification of the framework for the EU electricity grid in general and the security and reliability rules and grid connection and access rules in particular:

- Article 8(4) of Regulation 1228/2003/EC lays down that the EU Commission shall, when appropriate and acting in accordance with the procedure referred to in Article 13(2) of that Regulation, “... *set the common rules on minimum safety and operational standards for the use and operation of the network as referred to in Article 5(2) of the Regulation ...*”.

Based on the above provision, ERGEG had already, in its WP 2007 (chapter 2.3.1, deliverable ETN-1¹), undertaken work towards harmonised and compatible rules in terms

¹ 'European Energy Regulators' Work Programme 2007', Ref: C06-WPDC-06-04, 6 December 2006

of operational security and reliability within the context of the EU Internal Electricity Market.

- Furthermore, ERGEG addressed both the need for operational security and reliability rules and for grid connection and access rules in the ERGEG report on the “Large disturbance in the European Powers System of 4th November 2006”². The report stated that European operational security rules and a European grid code (including connection and access rules) will provide further obligations and a framework for TSOs and for the grid users (notably generators) connected to the grid, necessary to ensure uniform and non-discriminatory grid connection, operations, development and maintenance.

Approach

The ERGEG 2007 WP deliverables, including the study and preliminary drafts of the needs and ways to proceed towards harmonised or compatible operational security rules, as well as the draft guidelines document, already provided in 2007, shall be further developed resulting in the draft GGP of ENM-1a. Within ENM-1b a discussion paper on grid connection and access rules will be drafted to be developed as a GGP document later on.

General aspects

The general issues to be addressed in both deliverables under ENM-1 include: the objectives and necessary contents; applicability and intended audience(s); the relation between these EU-wide documents and the grid codes and operational security rules of the individual Member States and/or control areas and/or synchronous areas; derogation and change management procedures and enforcement and supervision/monitoring.

Specific aspects of deliverable ENM-1a

For deliverable ENM-1a, the following specific issues shall be considered: roles and responsibilities; operational planning and planning tools; training; cooperation coordination and communication between TSOs, including real-time data exchange; security criteria, emergency control, remedial actions, restoration, interoperability within and between synchronous areas, etc. The preparatory work for and development of deliverable ENM-1a, previous ERGEG and other papers shall be referred to and used accordingly, notably the UCTE Operation Handbook and the Nordic Grid Code as the technical basis for ENM-1, the previous ERGEG internal deliverables

² ‘The lessons to be learnt from the disturbance in the European power system on the 4th of November 2006’, Ref: E06-BAG-01-06, 6 February 2007

“Comparative Overview of the Operational Security & Reliability Rules in the Synchronous Areas of the EU”³, “Overview of the current UCTE rules implementation”⁴, “Workshops on the UCTE OH with EC, ERGEG and UCTE”⁵ “ERGEG Position and Recommendations on UCTE Operation Handbook”⁶, “ERGEG Final Report on the lessons to be learned from the large disturbance in European power supply on 4 November 2006”⁷ and the Report on the Events of September 28th, 2003, Culminating in the Separation of the Italian Power System from the other UCTE Networks”⁸.

Specific aspects of deliverable ENM-1b

For deliverable ENM-1b, the specific issues to be considered shall include, among others, the following (with an adequate level of detail): EU-wide common connection requirements for generation including distributed generation; for load customers and for DSOs, and voltage and frequency quality provisions. Deliverable ENM-1b is based on the comparative analysis and extraction of the common denominator from the European grid codes. Moreover, ENM-1b shall represent no redundancy to the national grid codes, but rather a complementary addition to those codes, ensuring EU-wide equal, non-discriminatory and balanced treatment of all grid users and transmission grids. In the preparatory work for and development of deliverable ENM-1b, the previous ERGEG and other papers shall be referred to and used accordingly, notably “Comparison of the European Grid Codes”⁹ and “Study on the Technical Security Rules of the EU Electricity Networks”¹⁰. Within the work on deliverable ENM-1a, discussions, workshops and an exchange of views will be conducted with the relevant stakeholders including.:

- UCTE, Nordel, GBTSOA, ITSOA, Baltija;
- ETSO; and
- EURELECTRIC

In the work on deliverable ENM-1b, discussions, workshops and an exchange of views will also take place with the relevant stakeholders:

³ ERGEG internal document, Ref: E05-ESO-09-04, Version 05, 30. December 2005

⁴ CEER internal Document, V02, 27. August 2004

⁵ ERGEG internal minutes, 2005-2006

⁶ XII Florence Forum, 01-02- September 2005
http://ec.europa.eu/energy/electricity/florence/doc/florence_12/erggeg_position_op_handbook.pdf

⁷ ‘The lessons to be learnt from the disturbance in the European power system on the 4th of November 2006’, Ref: E06-BAG-01-06, 6 February 2007

⁸ Report on Italian blackout by AAE (Italy) and CRE (France), 22. April 2004, www.cre.fr, www.aae.it

⁹ ERGEG internal work (excel sheet), 2003/2004

¹⁰ Final Report 62236A/001 REV 2 by PB Power for the European Commission, February 2006

- ETSO;
- EURELECTRIC;
- Geode; and
- IFIEC

Deliverables ENM-1a and ENM-1b will be submitted to public consultation according to the ERGEG statutes and usual practice. After the consultation, a detailed evaluation of consultation results will be performed and the deliverables' documents updated accordingly. If considered necessary by ERGEG, a public hearing can be organised for ENM-1a.

The results of work on ENM-1a will be presented by ERGEG at the XV Florence Forum in 2008.

Next steps

In 2009, when both ENM-1a and ENM-1b are completed, formal ERGEG advice to the European Commission may be considered for ENM-1a after completing a compliance evaluation and for ENM-1b after developing GGP.

4.1.2 Electricity market design issues

ERGEG deliverable



ENM-2: ERGEG Discussion Paper on market design

Justification

The significance of market design compatibility and/or harmonisation, both for the wholesale and retail markets throughout the EU, has risen following full retail market opening in July 2007. In well-developed electricity markets, spot prices will have a significant impact on price setting, even for smaller customers. This effect appears indirectly in fixed-price contracts, since the spot price, and indeed the system price itself, is the most important reference for electricity market financial futures. In order to evaluate different offers by suppliers, customers need reference prices. A set of consistent local prices in case of significant congestion, covering the relevant market area, will be the best option. The direct effect is clear where customers have contracts for electricity supply with a price made up of the spot price plus a fee. As regional, integrated end-user markets are the interim target, much stronger harmonisation of the national electricity markets should be emphasised.

Furthermore, the DG COMP Electricity Sector Inquiry 2006 (<http://ec.europa.eu/comm/competition/sectors/energy/inquiry/index.html>) states that there is high concentration both in the wholesale and retail markets in most Member States. A rapid development of regional markets would increase the number of suppliers and create less concentration and a more efficient wholesale market. For this reason, harmonisation of market rules and estimates of relevant reference prices both nationally and in regional markets is of great importance.

Approach

In 2007 the ERGEG Electricity Market Task Force (ELM TF) prepared a first roadmap and drafted the initial document containing contents for the guidelines of good practice on market design issues and harmonisation¹¹. Also in 2007, it was possible to initiate a consultant's study on market design issues focusing on the retail market together with the EC – the terms of reference of the study are referred in the “Terms of Reference for the Market Design Study”¹².

The ENM TF will further develop the Discussion Paper on Market Design and will also establish priorities and a time plan for practical implementation. The areas to be included for consideration shall include:

- General and specific wholesale and retail market design issues;
- Data exchange and settlement rules between the network operators and market participants and among the operators / participants themselves;
- Interoperability rules required in order for the market to function efficiently (e.g. market/power exchange closing times, network operators' tasks and duties towards the market participants/traders, etc.); and
- Trading rules (e.g. standard contracts, etc.)

Besides E07-ELM-07-08 (deliverable ELM-4 from the Work Programme 2007) and the “Terms of Reference for the Market Design Study”, also other relevant ERGEG/CEER papers and deliverables from the past shall be used in the work on deliverable ENM-2, notably the analysis of

¹¹ Guidelines of Good Practice for Market Design Issues and Harmonization – 1st Draft, ERGEG internal document, December 2007, Ref. E07-ELM-07-08_ELM-4

¹² October 2007

the role and functioning of the organised power markets/power exchanges¹³.

The ENM TF will liaise closely with the FIS WG when working on the issues related to trading rules within deliverable ENM-2. Furthermore, in the work on deliverable ENM-2, discussions, workshops and an exchange of views will be conducted with relevant stakeholders:

- EFET;
- EURELECTRIC;
- IFIEC;
- ETSO; and
- EuroPEX

Deliverable ENM-2 will be submitted to public consultation according to the ERGEG statutes and usual practice.

Next steps

In 2009, when ENM-2 is completed, the resulting output will be further developed into GGP and presented at the Florence Forum. Finally, formal ERGEG advice to the European Commission may be considered.

¹³ Comparative Analysis of the Role of Power Exchanges, CEER Electricity Market TF Report and deliverable (Task 2005 EMKT-1, 08. January 2006 (CEER internal)).

4.1.3 Evolution of congestion management (CM)

EREG deliverable



ENM-3a: ERGEG Compliance Monitoring Report on CM (part of the Monitoring Report on Compliance with Regulation (EC) 1228/2003)

Justification

The following policy issues call for strong monitoring of the CM systems in place:

- CM Guidelines (EC Decision 2006/770/EC of 9th November 2006), cf. Article 8 of Regulation (EC) 1228/2003
- In line with the Regulation and as requested by the XIII and XIV Florence Fora¹⁴, ERGEG is in charge of monitoring and reporting to the EC and the Forum on compliance and compatibility with the CM Guidelines. The Forum has asked the ERGEG to resolve any outstanding issues regarding the interpretation of the existing obligations and stressed that measures should be taken without delay in order to reach full compliance with the regulation. The Forum concluded that the next compliance report should be more specific and should allow the Commission to identify to what extent the legal requirements have been met.

Approach

The CM Guidelines compliance and monitoring report for the year 2007 will be integrated into the ERGEG Reporting on Compliance with the Regulation (EC) 1228/2003, delivered to the EC and presented at the XV Florence Forum.

In particular, concerning the requirement for making the 2007 report more specific, a detailed interpretation of all relevant existing obligations in the CM Guidelines and criteria for compliance will be discussed and applied accordingly.

¹⁴ http://ec.europa.eu/energy/electricity/florence/doc/florence_14/conclusions.pdf

Next steps

After the XV Florence Forum, this Report will be put to public consultation.

The work on monitoring CM within the monitoring of compliance with Regulation 1228/2003/EC will be continued in 2009.

Eventually, the outcome of this work (ENM-3a, ENM-3b and ENM-3c) will need to be considered in the next revision of the Congestion Management Guidelines.

4.1.4 Balancing and intra-day markets integration

EREG deliverable



ENM-4: ERGEG Guidelines of Good Practice for the integration of electricity balancing markets, intra-day markets and automatically activated reserves

Justification

The following policy issues call for a deeper integration of balancing and intra-day markets and appropriate consideration of the automatically activated reserves:

- CM Guidelines, cf. Article 8 of Regulation 1228/2003/EC
- The DG COMP Electricity Sector Inquiry 2006¹⁵ considers insufficiently integrated markets – including balancing and intra-day markets – to be among the key impediments to the further development of the single European electricity market.
- After the public consultation in 2006 and presentation at the XIII Florence Forum of the ERGEG Guidelines of Good Practice on Electricity Balancing Markets Integration (GGP-EBMI), the need to consider the intra-day issues and the issues of automatically activated reserves in relation to the balancing market was confirmed and strongly required by the market participants and stakeholders.
- In 2007, the ERGEG ELM TF prepared the terms of reference for a consultant's study on interaction and dependencies of balancing markets, intra-day trade and automatically

¹⁵ <http://ec.europa.eu/comm/competition/sectors/energy/inquiry/index.html>

activated reserves; the study was initiated in autumn 2007 and the deliverables are expected to be ready by June 2008. The interim progress report was also presented at the XIV Florence Forum¹⁶.

Approach

In the longer term, the creation of a single EU electricity market will include the integration or at least full interaction of European balancing markets as far as is technically possible and economically efficient. Beyond that, the interaction of balancing with automatically activated reserves on the one hand and with the intra-day trade on the other hand will have to be taken into account in order to optimise economic efficiency and security of operation and supply.

The study based on the Terms of Reference (TOR) prepared by the ELM TF in 2007 was initiated by the EC in 2007 and will be completed in 2008. Based on the output of the study, the update and revision of the ERGEG GGP-EBMI (Guidelines of good practice on Electricity Balancing Market Integration) will be prepared; aside from balancing (manually activated reserves), the GGP will also address automatically activated reserves (e.g. primary and secondary control in the UCTE) and intra-day markets.

If needed for the completion of this task, dedicated workshops and meetings with the stakeholders can be organised (e.g. Electricity Transmission System Operators (ETSO), EFET).

Next steps

After the completion of the second revision of the GGP EBMI (including intra-day and automatically activated reserves), ERGEG advice will be issued to the European Commission in 2008 or early 2009.

¹⁶ Balancing Markets Integration, Intraday Trade and Automatically Activated Reserves, ERGEG Progress Report to the XIV Florence Forum, Ref: E07-ELM-01-03, September 2007

4.1.5 Evolution of inter-TSO compensation and transmission tariff structures

EREG deliverables



ENM-5a: ERGEG Compliance Monitoring Report on ITC and tariffication (part of the Monitoring Report on Compliance with Regulation 1228/2003/EC)



ENM-5b: ERGEG Discussion Paper on the further harmonisation of transmission tariff structures, including locational signals and inter-TSO compensation rules

Justification

In line with Regulation 1228/2003/EC and as requested by the XIV Florence Forum, the regulators (EREG) are in charge of monitoring and reporting to the EC and the Forum on compliance and compatibility with Articles 3 and 4 of the Regulation.

Article 8, Regulation 1228/2003/EC provides for the development and adoption by the European Commission of guidelines on inter-TSO compensation (ITC) and guidelines on transmission tariffication.

EREG delivered its advice on Tarification Guidelines to the European Commission in July 2005. The objective of these guidelines was to serve as a first step for the harmonisation of charges paid by generation for use of the transmission network. The draft Tarification Guidelines reviewed the current position of a range of national tariffs as a starting point for harmonisation, and stated that further work on this issue, i.e.. on locational signals, would be undertaken. During the year 2007 the ERGEG prepared TOR for a study on tariff harmonisation¹⁷ and locational signals, and also reported on tariffication and ITC issues within the Monitoring Report on Compliance with Regulation 1228/2003/EC.

EREG did not deliver its advice the Commission on ITC Guidelines under Regulation 1228/2003/EC in 2006.

¹⁷ Study on Electricity Infrastructure Investments Consultants' study for EC, in cooperation with ERGEG 2007/2008

Approach

The tariffication and ITC compliance and monitoring report will be prepared on an annual basis and presented within the ERGEG Reporting on Compliance with Regulation 1228/2003/EC to the EC and to the Florence Forum.

Continuing the development of Transmission Tarification Guidelines, a study on further harmonisation of transmission tariff structures and a review of locational signals at European level will be launched in order to analyse the effects and possible implementation and impact of a more harmonised fee structure for TSOs across the EU in more detail. The study will be based on previous studies made by CEER/ERGEG, stakeholders and research institutions.

The work shall result in ERGEG advice on amending the draft Transmission Tarification Guidelines and include also possible incentives for investments from deliverable ELM-8 (2007). Guidelines may include issues such as the harmonisation of tariffication, the tariffication of generation and load, the tariffication structure and dependencies on incentives for investments.

Work on ITC guidelines is requested by the EC for 2008.

In the work on deliverable ENM-5, discussions, workshops and an exchange of views will be conducted with the relevant stakeholders including e.g. ETSO and EURELECTRIC.

Next steps

The report will be put to public consultation after the Florence Forum. The work on monitoring of Tarification and ITC within the ERGEG Reporting on Compliance with Regulation 1228/2003/EC will be continued in 2009.

Based on the output from deliverable ELM-6 (2007) amendments to the draft Transmission Tarification Guidelines will be prepared in 2009.

4.1.6 Infrastructure investments

EREG deliverables



ENM-6a: ERGEG Discussion Paper on electricity infrastructure investments



ENM-6b: ERGEG Status Review on building and construction authorisation and permission processes, using case examples



ENM-6c: ERGEG Discussion Paper on joint grid planning

Justification

The lack of sufficient transmission infrastructure is regarded as one of the major impediments for real integration of the European electricity market. ERGEG launched a public consultation on this issue in Autumn 2006 and the results of this public consultation and the ERGEG conclusions paper were published in April 2007¹⁸. The Commission is also working on the revision of the Trans-European Network – Energy (TEN-E) Guidelines and a Priority Interconnection Plan (PIP), where regional and global grid planning is introduced to endorse national planning. Finally, the importance of an adequate approach and of resolving the issues of licensing and permissions for electricity grid infrastructure construction was underlined in a workshop on Electricity Infrastructure Workshop held on 13 February with ERGEG, the EC and all relevant stakeholders.

Approach

Based on the 2007 deliverable "EREGEG Conclusions paper on a Cross-Border Framework for Electricity Transmission Network Infrastructure" and a consultancy study on electricity infrastructure, an analysis of barriers to transmission infrastructure investments will be carried out. It will include proposals for improvements [in investment infrastructure regimes], both in practical and governance terms. Work will be closely coordinated with ENM-5b. The following issues will be covered:

¹⁸ ERGEG Conclusions Paper on Cross Border Framework for Electricity Transmission Network Infrastructure, Ref: E07-ETN-01-03, ERGEG 18 April 2007

- Identification of appropriate levels of cross-border infrastructure and the need for investments;
- Allocation of costs and risks of investments into transmission infrastructure;
- Incentives to invest in network infrastructure and to enhance cross-border infrastructure investments;
- Regulatory gap across borders; and
- Merchant framework in enhancement of cross-border infrastructure capacity

The work on joint grid planning will deliver a discussion paper on longer-term network investment plans addressing issues such as requirements for joint planning, the definition of regions, scenarios for planning, timeframes, requirements for the assessment of system adequacy, and the update process of investment plans. Investment plans will also need to be addressed in relation to generation adequacy, which will be dealt with by the ESS TF (deliverable ESS-3).

Work on deliverable ENM-6 will include workshops and an exchange of views with all the relevant stakeholders, including e.g. ETSO, UCTE and Nordel.

Next steps

Work on deliverable ENM-6 will continue in 2009 with the preparation of the GGP.

4.1.7 Treatment of losses by network operators

EREGEG deliverable



ENM-7: ERGEG Discussion Paper on the treatment of losses by network operators

Justification

There is a direct request of ERGEG by the EC to work on network losses, within the scope of the Energy Efficiency Directive 2006/32/EC, as well following the publication of the Green Paper. This requires the regulators to consider the appropriate treatment of losses and the implementation of adequate incentives such that the TSOs and Distribution System Operators (DSOs) behave efficiently in regard to the priority placed on energy efficiency improvements in general and reduction of electrical losses in particular.

Approach

The analysis and report were requested by the EC. The ERGEG internal analysis and confidential report were prepared by the ELM TF in 2007 – this way, an in-depth analysis on best practices and recommended solutions was conducted, which shall be refined further and implemented for incentivising transmission (TNO) and distribution network operators (DNO) users accordingly.

Based on the 2007 internal analysis and report, the position paper on losses treatment will be produced in 2008, followed by a public consultation during 2008.

Next steps

After public consultation in 2008 and amendment of the ERGEG Position Paper, GGP on Losses Treatment will be developed and the ERGEG advice will be submitted to the European Commission in 2009.

4.2 Electricity Regional Initiatives Task Force (ERI TF)

Issues to be addressed

ERI-1: Public presentation of RI results

ERI-2: Coherence and convergence

Background

The ERI is a key part of the ERGEG's work aimed at delivering real and practical improvements to the way in which EU electricity markets function. The ERI brings together network operators, market participants (suppliers, traders, power exchanges and customers), governments and regulators to help identify, facilitate and implement improvements to the gas and electricity markets. The ERI is made up of seven regions (Baltic, Central East, Central South, Central West, Northern, South-West and France, UK & Ireland), each chaired by a lead regulator. It is crucial that the ERGEG monitor and report on progress of the RIs both internally and externally and help foster coherence and convergence with a view to speeding up integration at EU level. Therefore, half-yearly monitoring internal reports will be prepared. The ERI TF has the responsibility to deliver this work. Furthermore, the ERI TF acts as a link between the ERGEG ERI process and the market integration development in the South-East European electricity market that is taking place under the Athens Forum process.

The ERI TF will:

- focus on the development of best practice solutions for the market-oriented implementation of existing legislation;
- focus on identifying barriers that hinder the implementation of best practice solutions (e.g. legal barriers); and
- ensure proper involvement of stakeholders.

4.2.1 Public presentation of RI results

ERGEG deliverable



ERI-1: Annual conference preparation, annual report, etc.

Justification

Reaching out to European stakeholders to convey the results achieved within the ERI is key for the success of the ERI. An annual conference shall be organised together with the GRI TF to provide for the appropriate framework. Representation of high-level Commission and Member States' representatives and major stakeholders shall be ensured, as was the case for the 2007 RI annual conference.

The conference shall also serve to present the RI annual report. This report shall give an overview of the progress achieved in the regions, the status of their convergence and a strategic outlook on the different milestones for the effective implementation of the target mechanisms for CM as identified in the 2007 coherence and convergence report.

Approach

ERGEG currently publishes a monthly newsletter that includes an update on progress on the RI, highlighting key achievements and meetings, etc.

ERGEG also takes steps to improve the presentation of information on the RI on its website to make it easier for stakeholders to access the key information they need. ERGEG will continue to look at improvements that can be made to the way its website is used to increase transparency in the process.

ERGEG will also hold an annual conference in February 2008, where there will be an opportunity to discuss the progress of and prospects for the RI. This will be a joint gas-electricity conference. The conference shall be organised in cooperation with the European Commission with High-level speaker participation from regulators, the Commission, the Member States and other important stakeholders.

The annual report for the RI will be published ahead of the conference and will form the basis of discussions. This will bring together the progress across all of the regions in both electricity and

gas and outline how the ERGEG sees the development of the RI over time. Work on the annual report shall be based on the ongoing project reports as well as the coherence and convergence report and the Strategic Vision Paper. Close cooperation with the GRI TF shall be ensured to have an overall consistent approach.

ERGEG will continue to take steps to make sure its work is communicated effectively to stakeholders, including by way of press releases and press conferences – some will be organised centrally by the Secretariat whilst others will be delivered by the individual regions.

Next steps

An annual report and conference are also envisaged for 2009.

4.2.2 Coherence and convergence

ERGEG deliverable



ERI-2: ERGEG Status Review of coherence and convergence in the RI

Justification

The ultimate purpose of ERI is to facilitate the completion of the single European electricity market via the interim step of market integration at the regional level. It will be important to ensure that the interim step complements the final objective of full market integration across the EU. To this end, decisions, actions and solutions adopted at the regional level shall facilitate and must not impede the full integration of all regions to one single market at a later stage.

Approach

As a follow-up to the 2007 coherence and convergence report, the TF shall outline the status of convergence between the regions and whether work on priorities in the regions is coherent. Special focus shall be placed on identifying the progress and improvements made in comparison to the 2007 coherence and convergence report. In particular, a focus shall be put on assessing the progress and improvements made towards the target mechanisms for CM identified in the 2007 coherence and convergence report. A public consultation shall be held, the outcome of which shall be incorporated into the final report.

Next steps

The reporting of ERI on coherence and convergence will be continued in 2009. A short report will be prepared for the 2008 Florence Forum.

4.3 Electricity Security of Supply Task Force (ESS TF)

Issues to be addressed

- ESS-1: Generation adequacy
- ESS-2: Information exchange platform on security of supply situation
- ESS-3: System adequacy forecasting

Background

Security of electricity supply is a key issue and the main focus of the EU electricity market and its regulation, addressed not only by legislation (Directives 2003/54/EC, 2005/89/EC) but also by the Green Paper, the Sector Inquiry, and the inputs and discussions from the Florence Forum.

This is recognised by CEER/EREG and the task of addressing the issues relevant to security of electricity supply from a regulatory perspective in a coherent and systematic way was assigned to the CEER Electricity Security of Supply TF.

4.3.1 Generation adequacy

EREG deliverable



ESS-1: ERGEG Discussion Paper on generation adequacy treatment

Justification

The following policy issues call for appropriately addressing generation adequacy, within the framework of the EU Internal Electricity Market:

- The Directive on Security of Electricity Supply 2005/89/EC, Article 3.1, calls for Member States to ensure a high level of security of electricity supply by taking the necessary measures to facilitate a stable investment climate and by defining the roles and responsibilities of competent authorities. While this duty is assigned to Member States, the lack of a common EU approach and methodology for addressing generation adequacy is an obvious obstacle. Without prejudice to the principle of subsidiarity, the issue of generation adequacy can only be successfully dealt with by a common approach in a common Internal Electricity Market.
- Generation adequacy is directly and indirectly addressed in several further articles of Directive 2005/89/EC.

- Article 4 of Directive 2003/54/EC
- Finally, generation adequacy is a high priority issue also referred to in the Green Paper.

Approach

In 2007, an internal CEER report with a comparative analysis of market vs. non-market based solutions for ensuring generation adequacy was completed. An overview of generation adequacy practices in countries and regions was presented.

In 2008, this task will continue on the results of the 2007 work towards producing external Guidelines of Good Practice with recommendations on generation adequacy treatment. An exchange of views with ETSO and other affected market participants and stakeholders (notably generators) on this topic is planned. Further, it is intended to launch a public consultation on these GGP towards the end of 2008.

Next steps

The work will continue in 2009 with an evaluation of the public consultation and eventually with advice to the EC. This task is also considered to be relevant for the Third Package.

4.3.2 Information exchange platform on security of supply situation

EREGEG deliverable



ESS-2: Establishment of an EU-wide platform for internal information exchange on the Security of Supply situation

Justification

The following policy issues call for adequate information exchange on the situation of security of electricity supply:

- Article 4 of Directive 2003/54/EC;
- Article 2.2 of the Green Paper; and
- In its conclusions, the XIV Florence Forum invited regulators to continue their work on

monitoring and security of supply together with ETSO and other stakeholders, to organise a meeting with ETSO and the Commission to discuss the practical arrangements and to report on this work at the next Forum¹⁹.

Furthermore, appropriate information on overall security of electricity supply – including demand, generation, grid infrastructure and the primary energy sources situation – is directly and indirectly addressed by Directive 2005/89/EC as well as by the Commission's proposals for the Third Legislative Package.

At present there is no reliable and independent platform for information exchange on all aspects of security of electricity supply in Europe. The establishment of such a platform is therefore a necessary step.

Approach

The ESS TF submitted a proposal for the security of supply information exchange platform to the CEER GA.

This initial proposal will be further developed and a complete concept proposed in 2008, taking account of all the existing experience and practices, such as the ETSO Vista website. For the implementation of the platform, external consultancy support will be needed for conceptual specification, for technical details and implementation (including IT, etc.).

Next steps

Work on the Security of supply platform will continue with implementation in 2009.

¹⁹ http://ec.europa.eu/energy/electricity/florence/doc/florence_14/conclusions.pdf

4.3.3 System adequacy forecasting

EREG deliverable



ESS-3: ERGEG Discussion Paper on a methodology to forecast system adequacy

Justification

The following policy issues call for addressing system adequacy appropriately, within the framework of the EU Internal Electricity Market:

- Article 4 of Directive 2003/54/EC on monitoring security of supply by Member States. Apart from the system adequacy assessments for each synchronous area (e.g. UCTE, Nordel), which by nature tend to be a compilation of national inputs rather than a common view of the European situation, there is no reliable and overall system adequacy assessment for the EU.
- In its conclusions, the XIV Florence Forum invited regulators to continue their work on monitoring and security of supply, as indicated in the justification of ESS-2²⁰

Approach

In 2007, the ESS TF held workshops with Nordel and UCTE. A common workshop and discussion with ETSO (presumably to be held early 2008) on how to improve and establish a pan-EU System Adequacy Forecast (SAF) is planned. A number of recommendations and improvements were compiled in a CEER internal report, taking into account also the input from national regulators. This work was conducted in close cooperation with the ETN TF through common discussions and meetings (because of the grid situation and security/reliability rules).

In 2008, the ESS TF will develop a detailed concept and methodology for the pan-EU SAF within this task, addressing both long-term aspects (e.g. 10 years) and the medium/short-term view (e.g. 6 months or one year). This will be put to public consultation towards the end of 2008.

Furthermore, whereas the collection of national experience and current practices in SAF throughout the synchronous areas provides a good basis for a common EU concept, it is

²⁰ http://ec.europa.eu/energy/electricity/florence/doc/florence_14/conclusions.pdf

envisaged that in order to create a practically and scientifically justified proposal, an external consultant will be necessary.

Next steps

Work on SAF will be continued in 2009 by implementing the proposed methodology in cooperation with TSOs (if no consultancy help is provided, work will be significantly slowed down).

4.4 Electricity Quality of Supply Task Force (EQS TF)

Issues to be addressed

- EQS-1: Quality of electricity supply
- EQS-2: Voltage quality regulation
- EQS-3: Joint work with other CEER/EREG structures about quality of service-related subjects

Background

In 2007 the EQS TF activated several workstreams, including voltage quality; quality of service benchmarking and customer expectations on quality of supply. The first one, voltage quality, was the central activity during the first half of 2007, as several EQS TF members participate in the revision of European standard EN 50160 in cooperation with CENELEC. The second task, quality of service benchmarking, was the major activity programmed after September 2007 as the first preparatory work for the 4th Benchmarking Report to be published at the end of 2008. After some preliminary work on the fourth task, customer expectations on quality of supply, it was concluded that consultation of the Customer Focus Group was needed in order to clarify how to pursue the work and to propose that the envisaged questionnaire would be developed jointly.

4.4.1 Quality of electricity supply

CEER deliverable



EQS-1: 4th CEER Quality of Electricity Supply Benchmarking Report

Justification

Following the 3rd CEER Benchmarking Report on Quality of Electricity Supply published in December 2005 and disseminated in 2006 (at national level and at the World Forum on Energy Regulation III in Washington, October 2006), the 4th edition will update the comparison already available and enlarge the number of involved countries with available data for comparison.

Approach

Following the work already developed in 2007, data for the benchmarking report on continuity of supply, commercial quality regulation and best practices related to voltage quality regulation will be collected and the report prepared. The first step will be to update the questionnaire and

supplement it with definitions of some terms and indices. The involvement of all the TF members and other EWG participants is envisaged in order to assure the widest possible participation and data collection at national level.

Next steps

After publication of the 4th Quality of Electricity Supply Benchmarking Report, work will concentrate on disseminating the report through contacts with significant stakeholders at national and international level, presentations at relevant conferences, including the World Forum on Energy Regulation IV and the *Congrès International des Réseaux Electriques de Distribution*²¹ (CIRED) 2009.

4.4.2 Voltage quality regulation

CEER deliverable



EQS-2: Follow-up of the ERGEG Conclusion Paper and participation in the revision process of the European standard EN 50160

Justification

Voltage quality is a crucial issue for customers, especially industrial ones connected to distribution networks. Currently there is a European standard EN 50160, which lags behind customer expectations and requirements applied in some EU and EEA countries. Following the previous work already done and the ERGEG Conclusions Paper “Towards Voltage Quality Regulation in Europe” published in July 2007, after a public consultation process, the dialogue developed with CENELEC (the European standardisation body responsible for EN 50160) envisages the standard’s revision in order to allow for the use of this standard as technical support for voltage quality regulation in Europe.

Approach

Cooperation with CENELEC on the revision process of the European standard EN 50160 will continue through direct participation of EQS TF members in the CENELEC Technical Committee

²¹ In English, *International Conference on Electricity Distribution*

responsible for the European standard EN 50160 revision process, CLC TC8X. Efforts will be made towards closer involvement of customer associations' representatives. Contacts and cooperation with other relevant stakeholders and structures like CIGRE/CIREN/UIE JWG are envisaged.

Next steps

After the eventual revision of the European standard EN 50160 in the CLC TC8X, cooperation with CENELEC will be maintained, accompanying the approval process of this standard at national level until its publication. Moreover, as this first revision based on a dialogue with the regulators will only partly address issues raised by the regulators, further dialogue and cooperation with CENELEC to improve the standard EN 50160 will be necessary.

4.4.3 Joint work with other CEER/EREG structures about quality of supply-related subjects

CEER deliverable



EQS-3: 1) Workshop for disseminating actual experiences on willingness to pay or willingness to be compensated (surveys already carried out in four European countries) 2) Discussion of a possible EU and EEA-wide customer survey performed by Eurobarometer

Justification

Customer expectations and customer costs (including willingness to pay, willingness to accept or direct costs) related to quality of service and supply are important subjects for regulators. Several activities related to quality of service and supply are of common interest to the EQS TF and the CFG. In order for the deliverable to gain momentum, direct dialogue with the CFG began in 2007 and some ideas for joint work were identified.

Approach

After preliminary work developed on the subject "Customer expectations on quality of supply", the dissemination of results from the surveys already done in four European countries on "willingness to pay or willingness to be compensated" was identified as being very useful. During 2008 and in cooperation with the CFG, it is envisaged that an internal workshop be organised, where the experience obtained from the referred experiences and the CEER/EREG positions about quality

of supply regulation will be presented. Also a possible EU and EEA-wide customer survey, developed by Eurobarometer, could be a useful tool for investigating customer expectations and satisfaction with the offered quality of supply. Together with the CFG, the possibility of developing an EU-wide customer survey to be proposed to and performed by Eurobarometer will be analysed; contacts with Eurobarometer organisers are envisaged.

Next steps

If the EU and EEA-wide customer survey through Eurobarometer is carried out, it should be repeated on a regular basis to provide information on customer expectations and satisfaction with the offered quality of supply.

4.5 Sustainable Development Task Force (SDE TF)

Issues to be addressed

- SDE-1: RES_E support schemes
SDE-2: Sustainable development

Background

The Environmental Task Force (Env TF) was initiated in 2006 with its remit being the analysis and assessment of environmental issues related to the CEER's role in facilitating the creation of a single competitive, efficient and sustainable internal market for gas and electricity in Europe.

To complement the work in this area, an ad-hoc Renewables Task Force (RES TF) with the task of "looking into the regulatory aspects of producing, distributing and utilising electrical energy from renewable sources in the Member States so as to explore issues which need to be treated under the 2008 Work Programme on renewables" was established in July 2007.

In 2008 the Env TF and RES TF will be combined to create the Sustainable Development Task Force (SDE TF), which will be responsible for issues concerning the environment, including renewables. The work will include the issues mentioned below. In parallel, as part of the ongoing work the SDE TF will continue to monitor the EU ETS and the experience that individual regulators have had in this regard, in order to facilitate the development of informed responses to any further Commission consultations regarding the future phases of the EU ETS.

4.5.1 RES_E support schemes

ERGEG deliverable



- SDE-1: ERGEG Impact Assessment Report of renewable support and energy efficiency schemes on the functioning of the internal electricity market (update of CEER 2004 report)

Justification

In recent years the share of electricity generated from renewables has grown rapidly and this trend is likely to continue, especially given the conclusions of the Commission's Strategic Energy Review, published in January 2007, which proposed that a greater proportion of Member State energy should be generated from renewable sources. In 2004 the CEER carried out a study

regarding the “Current Experience with Renewable Support Schemes in Europe”, but no further work on the topic has been carried out by the CEER since. In light of the acceleration of the development in renewable generation and given the change in market conditions, it was considered appropriate to revisit and assess some of these issues.

Approach

The first step will be to update the 2004 CEER study on “Current Experience with Renewable Support Schemes in Europe”. The revised study will focus on verification/confirmation of the findings of the 2004 study, on the conflicts between the aims of different Directives, as pointed out in the 2004 study, on the new EU Member States, on support schemes and their share in the price, and on the issue of access to the grid.

Following an update of the former questionnaire of the original study, answers will be sought from all CEER members. An evaluation of the answers and draft conclusions are expected towards the end of 2008.

Next steps

The SDE TF will seek feedback from interested parties regarding the relevance and usefulness of the conclusions of the report published on renewable support schemes. In light of the evolving nature of the renewable generation markets within Member States and the changing environment for renewables given the binding targets from the Commission, it would be appropriate for this report to be periodically updated to reflect developments in this area. The document could therefore serve as a useful ongoing reference document for CEER members, the Commission and other interested parties.

4.5.2 Sustainable development report

CEER deliverable



SDE-2: CEER Status Review of sustainable development, looking at various indicators for the way regulators advance work on sustainability

Justification

In recent years, the increasing focus of the EC on issues of sustainability, particularly with respect to energy markets, has become apparent. The shift of the European focus towards sustainable energy markets was especially notable in the Strategic Energy Review (SER), published by the

European Commission at the beginning of 2007. As such, the publication of a periodically updated European Sustainable Development Report by the CEER will provide a vehicle for reporting on and monitoring the development of the EC towards this goal. In addition, it will assist the CEER in achieving its related primary aim: to facilitate the creation of a sustainable internal market for gas and electricity in Europe.

The Sustainable Development Report would be consistent with the opinion voiced by the Commission that sustainability is a key priority for Europe; therefore, we anticipate that the report will be viewed as proactive action on the part of the CEER in terms of advancing the debate in this area. The report will also serve as a useful reference document, bringing together the work that has been undertaken within Europe on key sustainability issues. As such, we envisage that the report will prove useful for CEER members, the Commission and other interested parties. In addition, the document will facilitate further transparency with respect to sustainability issues. In this respect, it will not only promote understanding of the relative achievements of Member State regulators in sustainability issues but also facilitate the sharing of information and experience between NRAs and improve understanding of relative responsibilities in this area.

Approach

Work started with a draft structure of the Sustainable Development Report. This provides an outline of the key indicators that the report will include, as well as the broader issues on which an assessment will be provided. It is anticipated that the drafting of the report itself will be a joint effort by all members of the Task Force and we envisage that the parallel work being undertaken with respect to the development of a document regarding the renewable support schemes currently in place within Europe (deliverable SDE-1) will feed into the report's renewables sections.

Next steps

Following the publication of the Sustainable Development Report the CEER will seek to obtain comments from interested parties (e.g. the Commission, European energy industry participants and CEER members) on the indicators included in the report. In this respect it would be appropriate to determine whether the report itself is useful for gathering information and making it available to interested parties. The Sustainable Development Report could act as a benchmark report that would be periodically updated; therefore, we envisage that it could be revisited in a second report in 2010, which would contain an update of the indicators initially reported upon and new indicators as suggested by interested parties.

5. GAS WORKING AND FOCUS GROUP (GWG/GFG)

Background

In 2007, the work of the GWG/GFG focused on drafting input to the Commission's proposal for the Third Liberalisation Package. On several gas relevant issues, the GWG/GFG produced detailed recommendations, which were communicated to the Commission.

In addition, the GWG/GFG published GGP on Open Season Procedures after extensive consultation with stakeholders and carried out a survey on regulators' experience with Art. 22 procedures. The outcome of this survey pointed to widespread application and varying practices in application and interpretation of Article 22. Therefore, the GWG/GFG provided the Commission with recommendations and detailed guidelines on a harmonised approach for Article 22 treatment.

In 2007, the GWG/GFG published benchmarking reports on transmission tariffs, which came to the conclusion that there are great differences in both tariff structure and system design of TSOs across Europe. Work in 2008 will therefore focus on the development of transmission tariff guidelines. Based on the public consultations held on secondary markets and capacity calculation in 2007, the GWG/GFG will work on an improvement of the current guidelines on capacity allocation and Congestion Management Procedures (CMP) annexed to Regulation 1775/2005.

On this basis, the GWG/GFG will also provide input for the debate on the Third Package if, and when, required.

Organisation of GWG/GFG activities and issues to be addressed

- I. Gas Network and Market Task Force (GNM TF)
 - GNM-1 - Third Package
- II. Gas Regional Initiative Task Force (GRI TF)
 - GRI-1 - Public presentation of RI results
 - GRI-2 - Coherence and convergence
- III. Gas Market Monitoring Task Force (GMM TF)
 - GMM-1 - Monitoring compliance with Regulation 1775/2005 and Explanatory Notes
 - GMM-2 - Monitoring compliance with GGPs
 - GMM-3 - Assessment of reasons for non-compliance and impact of non-

compliance

- IV. Gas Investment Framework Task Force (GIF TF)
 - GIF-1 - Investments (TPA exemptions)
 - GIF-2 - Regulatory investment incentives and non-domestic investment
- V. Gas Transmission Tariffs Task Force (GTT TF)
 - GTT-1 - Transmission tarification
 - GTT-2 - Transmission tariffs benchmarking
- VI. Gas Capacity Task Force (GCA TF)
 - GCA-1 - Capacity calculation
 - GCA-2 - Capacity allocation and congestion management
- VII. Gas Storage Task Force (GST TF)
 - GST-1 - Storage capacity allocation and management
- VIII. Liquefied Natural Gas Task Force (LNG TF)
 - LNG-1 - LNG

5.1 Gas Network and Market Task Force (GNM TF)

Issues to be addressed

GNM-1: Third Package

5.1.1 Third Package

CEER and ERGEG deliverable



GNM-1: ERGEG response to the Third Package: prepare and manage the cooperation with TSOs

Justification

Within both EWG and GWG, there needs to be a dedicated TF for planning, managing and completing the work in relation to the Third Package. If appropriate, this TF can also draw upon the work of other TFs (existing or new ones), but the responsibility for coordinating this work rests with the Gas Network and Market TF (GNM TF).

Approach

The first task of this TF will be to draft a detailed description of each of the eleven areas for codes and rules. This description should be detailed enough to start a practical cooperation with Gas Transmission Europe (GTE+) on the completion of each of these areas. Thus, it must include information on the content and necessary level of detail of the codes and rules GTE+ should develop. Four project teams dealing with the eleven codes shall be set up to coordinate the work of the relevant TFs:

- Common (Transmission) Network Code;
- Common LNG Code;
- Common Storage Code; and
- Guidelines of Good Practice.

The descriptions of the electricity and gas work need to be coordinated to assure a similar (but not necessarily identical) approach. In each area where there are substantial differences between gas and electricity, these differences must be explained and justified.

Additionally, a project plan including prioritisations for each of the areas of work as a basis for discussion with GTE+ and internal co-ordination is needed. Here again a certain harmonisation between gas and electricity is necessary unless differences are justified. The GNM TF may publicly consult with stakeholders to ensure the right scope and prioritisation of work on the eleven codes at an early stage

It is understood that after this process, there will be further work on the documents, especially after discussions with GTE.

It is envisaged that the GNM TF coordinates the practical work with GTE and assures proper supervision and control of work and outcome in each area by participating in GTE meetings, frequent exchanges of documents, bilateral coordination meetings, etc.

The task of the GNM TF will include periodic reporting of progress (or lack of progress) to the Working Groups and the GA. It is recognised that some of the topics are already covered to a certain extent by ongoing and/or planned work. Nonetheless, it will be important to ensure that the codes and rules contain the necessary level of detail to really solve practical problems and are not limited to guidelines, which are useful but do not in practice remove obstacles to market integration.

To that end, the GNM TF should develop criteria for assessing the various codes and rules at the beginning of work, maybe drawing upon the experience from the RIs to be able to assess if the outcome of the work meets the need of completeness/practicality and effectiveness later on.

5.2 Gas Regional Initiative Task Force (GRI TF)

Issues to be addressed

GRI-1: Public presentation of RI results

GRI-2: Coherence and convergence

Background

The Gas Regional Initiative (GRI) is a key part of the ERGEG's work aimed at delivering real and practical improvements to the way in which EU gas markets operate. GRI brings together network operators, market participants (shippers, traders, customers and suppliers.), governments and regulators to help identify, facilitate and implement improvements to the gas and electricity markets. GRI is made up of three regions (North-West, South and South South-East), each chaired by a lead regulator. It is crucial that ERGEG monitor and report on progress of the RI both internally and externally – this TF has the responsibility of delivering this work. To this end internal reports will be prepared on a half-yearly basis.

GRI itself will:

- focus on the development of best practice solutions for the market-oriented implementation of existing legislation;
- focus on identifying barriers that hinder the implementation of best practice solutions (e.g. legal barriers); and
- ensure proper involvement of stakeholders.

5.2.1 Public presentation of RI results

EREGEG deliverable



GRI-1: Annual conference preparation, annual report, etc.

Justification

Reaching out to European stakeholders to convey the results achieved within GRI is key for the success of GRI. An annual conference shall be organised together with the ERI TF to provide for the appropriate framework. Representation of high-level Commission and MS representatives shall be ensured, as was the case for the 2007 RI annual conference.

The conference shall also serve to present the RI annual report. This report shall give an overview of the progress achieved in the regions, the status of their convergence and a strategic outlook.

Approach

EREGEG currently publishes a monthly newsletter that includes an update on progress in the RI, highlighting key achievements and meetings etc.

EREGEG also takes steps to improve the presentation of information on the RI on its website to make it easier for stakeholders to access the key information they need. ERGEG will continue to look at improvements that can be made to the way its website is used to increase transparency in the process.

EREGEG will also hold an annual conference in February 2008, where there will be opportunity to discuss the progress of and prospects for the RI. This will be a joint gas-electricity conference. The conference shall be organised by the CEER in cooperation with the the European Commission with high-level speaker participation from regulators, the Commission and industry.

The annual report for the RI will be published ahead of the conference and will form the basis of discussions. This will bring together the progress across all of the regions in both gas and electricity and outline how ERGEG sees the development of the RI developing. Work on the annual report shall be based on the ongoing project reports as well as the Coherence and Convergence Report. Close cooperation with the ERI TF shall be ensured in order to have an overall consistent approach.

EREGEG will continue to take steps to make sure its work is communicated effectively to stakeholders, including by way of press releases and press conferences – some will be organised centrally by the Secretariat whilst others will be delivered by the individual regions.

Next steps

An annual report and conference are also envisaged for 2009.

5.2.2 Coherence and convergence

EREG deliverable



GRI-2: EREG Status Review of coherence and convergence in the RI

Justification

The ultimate purpose of GRI is to facilitate the completion of the single European gas market via the interim step of market integration at the regional level. It will be important to ensure that the interim step complements the final objective of full market integration across the EU. To this end, decisions, actions and solutions adopted at the regional level shall facilitate and must not impede the full integration of all regions to one single market at a later stage.

Approach

As a follow-up to the 2007 coherence and convergence report, the TF shall outline the status of convergence between the regions and whether work on priorities in the regions is coherent. Special focus shall be put on identifying the progress and improvements made in comparison to the 2007 Coherence and Convergence Report [E07-GRI-01-05]. A public consultation shall be held, the outcome of which shall be incorporated into the final report.

Next steps

The reporting of GRI on coherence and convergence will be continued in 2009.

5.3 Gas Market Monitoring Task Force (GMM TF)

Issues to be addressed

- GMM-1: Monitoring compliance with Regulation 1775/2005 and Explanatory Notes
- GMM-2: Monitoring compliance with GGPs
- GMM-3: Assessment of reasons for non-compliance and impact of non-compliance

Background

Monitoring compliance with legally binding requirements and voluntary guidelines is important for assessing the degree of compliance with these requirements and guidelines and subsequently for the development of any new measures. The Madrid Forum welcomed the past monitoring work carried out by ERGEG and invited ERGEG to further monitor compliance.

5.3.1 Monitoring compliance with Regulation 1775/2005 and Explanatory Notes

ERGEG deliverable



GMM-1: ERGEG Compliance Monitoring Report on Regulation 1775/2005 including annexed guidelines

Justification

In November 2006, the European Commission requested ERGEG carry out detailed monitoring of TSOs' compliance with the requirements of Regulation 1775/2005/EC. In a first step, the ERGEG published a Transparency Monitoring Report in mid-2007. At the XII and XIII Madrid Forum, the European Commission asked ERGEG to expand this monitoring work by taking into account the DEN on Articles 3, 5 and 6 of the Gas Regulation as well as competences of Regulators in context of Article 13. Further monitoring of compliance with these documents will take place in 2008.

Approach

Based on questionnaires addressed to regulators as well as TSOs, the level of compliance with the requirements of Regulation 1775/2005/EC shall continued to be monitored. Data are to be submitted from TSOs via NRAs and from NRAs directly, where applicable.

Next steps

In order to monitor improvements in compliance over time, regular monitoring of the requirements outlined in Regulation 1775/2005/EC in a standardised manner shall be carried out in 2009.

5.3.2 Monitoring compliance with GPs

EREG deliverable



GMM-2a: ERGEG Compliance Monitoring Report on GGP on gas balancing (GB)

Justification

In 2007, ERGEG published GGP on a number of topics. After their entry into force, compliance with these voluntary guidelines shall be monitored.

Approach

Based on questionnaires addressed to regulators and system operators, the level of compliance with the GGP-GB shall be monitored. Data are to be submitted from TSOs via NRAs and from NRAs directly, where applicable.

Based on the outcome of the monitoring, the report shall make recommendations on possible remedies to assure compliance. Examples of successful implementation shall serve as good practice for those system operators that have not yet implemented the GGP-GB.

Next steps

Work on the compliance report is to be completed in 2008. Depending on the outcome of this work, follow-up work in 2009 might be necessary or not.

EREG deliverable



GMM-2b: ERGEG Compliance Monitoring Report on GGP on Open Season Procedures (OS)

Justification

In 2007, ERGEG published final GGP-OS. After their entry into force, compliance with these voluntary guidelines shall be monitored.

Approach

Based on questionnaires addressed to regulators and system operators, the level of compliance with the GGP-OS shall be monitored. Data are to be submitted from TSOs via NRAs and from NRAs directly, where applicable.

Based on the outcome of the monitoring, the report shall make recommendations on possible remedies to assure compliance. Examples of successful implementation shall serve as good practice for those system operators that have not yet implemented the GGP-OS.

Next steps

Work on the compliance report is to be completed in 2008. Depending on the outcome of this work, follow-up work in 2009 may or may not be necessary.

EREG deliverable



GMM-2c: ERGEG Compliance Monitoring Report on GGP-LNG

Justification

In 2007, ERGEG published final GGP-LNG. After their entry into force, compliance with these voluntary guidelines shall be monitored.

Approach

Based on questionnaires addressed to regulators and system operators, the level of compliance with the GGP-LNG shall be monitored. Data are to be submitted from TSOs via NRAs and from

NRAs directly, where applicable. Based on the outcome of the monitoring, the report shall make recommendations on possible remedies to assure compliance. Examples of successful implementation shall serve as good practice for those system operators that have not yet implemented the GGP-LNG.

Next steps

Work on the compliance report is to be completed in 2008. Depending on the outcome of this work, follow-up work in 2009 may or may not be necessary.

5.3.3 Assessment of reasons for non-compliance and impact of non-compliance

EREGG deliverable



GMM-3: ERGEG Impact Assessment Report on reasons for non-compliance with Regulation 1775/2005 and impact of non-compliance with GGPs and possible solutions for the improvement of market functioning

Justification

In addition to the quantitative analysis on compliance with requirements (issues GMM-1 and GMM-2), a qualitative analysis shall be carried out with the aim of identifying reasons for non-compliance.

Approach

Based on the outcome of the quantitative analysis (issues GMM-1 and GMM-2) interviews with stakeholders shall be held to identify reasons for non-compliance. The report shall give a comprehensive overview of obstacles to practical implementation of certain requirements. In order to maximise transparency, the opinion of stakeholders shall be sought in a public hearing and the document shall be put to public consultation.

Next steps

Work on the report is to be completed in 2008. Depending on the outcome of this work, follow-up work in 2009 might be necessary, or not.

5.4 Gas Investment Framework Task Force (GIF TF)

Issues to be addressed

- GIF-1: Investments (TPA exemptions)
GIF-2: Regulatory investment incentives and non-domestic investment

Background

Investment in infrastructure is a key requirement for the provision of sufficient capacity in transmission, storage and LNG. An appropriate investment climate is key for the development of effective gas-to-gas competition. In 2008, work will focus on regulators' experience with Article 22 exemptions and on the regulatory framework for non-domestic investment with a special focus on tariff design.

5.4.1 Investments (TPA exemptions)

EREG deliverable



- GIF-1: ERGEG Status Review of practices and experiences with Article 22 (update of 2007 report)

Justification

A report on regulators' experience with Art. 22 exemptions was published in 2007. A number of projects which are not included in the 2007 report are expected to apply for an Art. 22 exemption or have already done so. Therefore, an update of the 2007 report will include the new projects. In order to ensure the most far-reaching degree of harmonisation in the application of Art. 22 requirements among deciding authorities, it is important to update the 2007 report on a regular basis. If decisions on the basis of Art. 22 are made; the Task Force may ask deciding authorities to submit details on the basis of the 2006/2007 questionnaire in order to complete the report.

Approach

A "state-of-play" questionnaire will be sent to regulators that have conducted Article 22 procedures in order to gain knowledge on the regulatory treatment applied by NRAs. Based on the responses to the questionnaire, a report outlining the approaches taken will be drafted.

Next steps

Possible follow-up work in 2009.

5.4.2 Regulatory investment incentives and non-domestic investment

EREG deliverable



GIF-2: EREG Guidelines of Good Practice on the regulatory framework for non-domestic investment with a focus on tariff design, including transit tariffs and possible incentives for investment

Justification

Request from the Commission.

Approach

Based on an analysis of existing mechanisms for the regulatory treatment of non-domestic investments in the Member States, best practices shall be identified. The issue will include cooperation between NRAs and TSOs involved. A focus will be placed on the issue of incentives and tariff design with regard to the cost base of affected TSOs. The report will recommend a best practice avoiding Article 22 exemptions. A public consultation and a public hearing shall be held during the third quarter of 2008.

Next steps

Possible follow-up work in 2009

5.5 Gas Transmission Tariffs Task Force (GTT TF)

Issues to be addressed

- GTT-1: Transmission tariffication
GTT-2: Transmission tariffs benchmarking

Background

Transmission tariff methodologies have to be developed in accordance with Regulation 1775/2005/EC. Article 3 of the Regulation sets basic criteria for the design of national transmission tariffs by NRAs; the detailed design of tariff methodologies is left to the regulatory authorities, based on Article 25 of Directive 2003/55/EC. Different regulatory approaches in tariff setting and design of tariff methodologies can represent a barrier to liquid cross-border trade.

5.5.1 Transmission tariffication

EREG deliverable



GTT-1: ERGEG Guidelines of Good Practice on Transmission Tariff Design

Justification

Tariff methodologies for transmission have to be developed in accordance with Article 3 of Regulation 1775/2005/EC. On the basis of the cost and tariff principles, which will be consulted with stakeholders by the TF, Guidelines will be developed. They shall provide guidance on a coherent and harmonised application of Article 3.

Approach

In a first step the outcome of the public consultation on the cost and tariff principles will be evaluated. Based on the responses received, the TF will develop guidelines of good practice for calculating transmission tariffs. Work will be closely coordinated with the GNM TF, which will work on the rules regarding harmonised transportation tariff structures as part of the coordinated work on the eleven codes. Before finalising the document, a public hearing shall be held.

Next steps

Possible follow-up work in 2009 will include monitoring of the guidelines.

5.5.2 Transmission tariffs benchmarking

EREG deliverable



GTT-2: ERGEG Benchmarking Report on Transmission Tariffs

Justification

The report on Benchmarking of Transmission Tariffs [C06-GWG-31-05] was the first study by European energy regulators on benchmarking transmission tariffs and balancing payments for gas transmission networks.

The main aim of the report was to improve transparency for shippers on transportation tariff and balancing payments for certain standard transportation cases. A more comprehensive study shall be carried out in 2008 to allow for a European tariff benchmark.

Approach

An update of the report shall be carried out with special focus on the following issues:

- the number of TSOs incorporated in the analysis should be increased so that a sufficient number of comparable cases exists for all distances;
- all data should relate to the same year;
- for the balancing payments comparison, natural gas prices could be either harmonised or the effect of differences in natural gas prices should be made transparent;

An overall assessment should be made with respect to the attractiveness of a specific transmission network, at least regarding transmission tariffs and balancing penalties.

This assessment could also take likely or typical behavioural responses of shippers into account. The tariff benchmarking study will be developed in close cooperation with a consultant.

Next steps

Possible follow-up work on an update report in 2010

5.6 Gas Capacity Task Force (GCA TF)

Issues to be addressed

- GCA-1: Capacity calculation
- GCA-2: Capacity allocation and congestion management

Background

The development of competition and the convergence towards an internal European gas market require that capacities in gas transmission networks are calculated and provided in a consistent manner, both over time and across networks. TSOs still have large flexibility in calculating available capacities and there is no guarantee that networks are always efficiently operated, or that capacity is offered on a fair and non-discriminatory basis to all network users. Adequate calculation of available capacities under all circumstances is a key aspect for the effective application of Capacity Allocation Mechanisms (CAM) and CMP (Regulation 1775/2005/EC).

5.6.1 Capacity calculation

CEER deliverable



GCA-1a: CEER GGP on Capacity Calculation (GPP-CAP)

Justification

A public consultation on the understanding and issues related to available capacity calculation was carried out by ERGEG during summer 2007. This public consultation aimed at achieving a common understanding on capacity calculation and the need for preparing Guidelines. Therefore, the GCA TF will carefully consider the issues for which guidelines may be appropriate. The development of guidelines will be subject to further assessment within the CEER and consideration in cooperation with the stakeholders.

Approach

As requested by the market, work will focus on considering guidelines for enhancing the transparency and consistency of the input for calculating available capacities in 2008. Principles and incentives for ensuring that the right amount of capacity is made available to market participants will be addressed. It should be possible to propose a set of recommendations to

guide the choice of parameters and scenario building for calculating available capacities. This approach corresponds to the market request for some type of ex ante regulation in the area of capacity calculation, apart from ex post regulation, where capacity refusals are investigated.

In light of these market requests, an in-depth discussion is necessary to gain insight into the current practice of capacity calculation and to identify key parameters for scenario building suitable for recommendations. Another issue for further reflection are the roles and responsibilities of stakeholders, especially TSOs and NRAs.

The necessity and the scope of the guidelines, as well as the framework within which the guidelines may be presented, are still open for discussion and will be considered during 2008.

Next steps

Given the positive outcome of the public consultation in 2007, the Task Force will start the second phase: moving from a common understanding of capacity calculation issues and market requests to the development of guidelines. The Task Force will develop a public consultation paper on GGP in the area of calculating available capacities (GGP-CAP).

Before starting the development of GGP, a survey among NRAs in the EU will be carried out towards the end of 2007 in order to assess the involvement of European regulators in capacity calculation. Depending on the outcome of the questionnaire, a complementary questionnaire may be sent to TSOs in order to gain further insight.

- 2007/Q4: Questionnaire to NRAs
- 2008/Q1: Report on the outcome of the questionnaire sent to NRAs (optional complementary questionnaire to TSOs)
- 2008/Q2: Public Consultation Paper on GGP-CAP
- 2008/Q3: Public Consultation (8 weeks)
- 2008/Q4: Assessment of the public consultation outcome
- Possible monitoring of guidelines in 2009

CEER deliverable



GCA-1b: CEER Impact Assessment Report on the implementation of GGP-CAP and results

Justification

The deliverable shall address the basis for the regulation of capacity calculation and what type of recommendations are feasible. Regulatory attention concerning capacity calculation is likely to go to the process of calculation rather than specific rule-setting for calculation as such. Furthermore, issues which are appropriate for harmonisation across the EU will be identified and recommendations for standardisation will be made.

Approach

The impact assessment will analyse the dependency of available capacity on the underlying network scenario and the large flexibility of each TSO to develop scenarios. Based on the underlying assumptions for scenarios used, the costs and benefits of harmonised capacity calculation shall be estimated.

Next steps

Possible follow-up work in 2009

5.6.2 Capacity allocation and congestion management

EREGEG deliverable



GCA-2: ERGEG GGP on capacity allocation mechanisms (CAM) and congestion management procedures (CMP) (including secondary market guidelines) as an improvement of current guidelines in Annex (point 2) of Regulation 1775/2005

Justification

Lack of available firm capacities, often caused by contractual congestion, has been identified by the sector inquiry as a major problem, in particular for newcomers. It poses a barrier to competition and the functioning of the single European market. Contractual congestion can be

caused by bad allocation of capacities on the primary market, capacity hoarding, lack of liquidity on the secondary market for capacities and ineffectiveness of existing congestion management mechanisms. The guidelines annexed to Regulation 2005/1775 seem to be insufficient for resolving the problem. ERGEG has previously addressed the issues connected to CAM and CMP individually and has produced several reports to date (on use-it-or-lose-it (UIOLI), the secondary market, the role of short-term allocation, and capacity auctioning). Furthermore, work on secondary market issues within ERGEG has showed that primary and secondary capacity markets are highly interdependent. All previous approaches have produced good ideas but have failed to achieve the overall goal of maximising the efficient use of capacity because of the lack of a comprehensive approach. Where individual measures cannot solve the problem, a comprehensive approach seems to be best suited to improve the situation. Therefore, all issues related to capacity allocation, congestion management, short-term services and secondary markets need to be addressed by this Task Force.

Some examples of the interdependence of the several known CAM and CMP are illustrated below.

- A capacity holder has no incentive to sell on the secondary market as long as no capacity at all is available on the primary market (“hoarding pays”). It can best maintain its competitive position on the market by not releasing any capacity to potential competitors.
- Effective capacity allocation could be achieved by establishing entry-exit zones and by modifying congestion management procedures such as the UIOLI mechanism or the rucksack principle.
- Interruptible capacity rights are not suitable for relieving the tense primary firm capacity market and the problem of contractual congestion, as long as the likelihood of interruption is not transparent and the shipper is not able to assess its imbalance risks.

Approach

The first step in producing a proposal for guidelines on CAM and CMP shall be to identify best practices (and analysing the current effect of Regulation 1775/2005 and possible effects related to the Third Package). The previous work on individual measures shall be analysed and the big picture shall be evaluated. This shall lead to the establishment of a comprehensive (binding) approach on the basis of established elements and new thinking.

Initially, the existing knowledge base of ERGEG is to be verified and updated by means of issuing

a questionnaire on the legal framework and experience/best practices to NRAs. On the basis of the questionnaire(s), the Task Force will draft a proposal for guideline topics. The Task Force shall organise a workshop for all stakeholder organisations (public hearing) to discuss the topics to be addressed by the Guidelines. On the basis of the workshop, the Task Force will draft a proposal for guidelines. The guidelines will be published for definitive consultation. In the last quarter of 2008, a final set of guidelines will be written and sent as recommendations to the Commission (to be annexed to Regulation 1775/2005 via comitology).

5.7 Gas Storage Task Force (GST TF)

Issues to be addressed

GST-1: Storage capacity allocation and management

Background

The ERGEG GGP on Storage System Operators (GGP-SSO) were approved at the Madrid Joint Working Group (JWG) in March 2005. Since then, ERGEG has undertaken two monitoring exercises on storage operators' compliance with the GGP-SSO.

5.7.1 Storage capacity allocation and management

ERGEG deliverable



GST-1: ERGEG GGP on CAM and CMP for storage. Report on the situation in different EU Member States, possible solutions for better TPA to storage

Justification

Poor transparency in access conditions is a major issue for a large number of storage users and may result in a barrier to entry for new entrants. In many cases the absence of effective and non-discriminatory procedures for capacity allocation and congestion management and the modest development of secondary markets allow for capacity hoarding.

Capacity allocation and CM are important issues as most European storage is fully booked. The DG Competition Sector Inquiry Report also indicates that in a number of cases, SSOs will be congested for many years. Therefore it is necessary to develop GGP on allocation procedures and congestion management procedures.

Approach

The TF will survey on existing CAM and CMP. Based on the outcome of the survey, guidelines shall be developed. Stakeholders will be actively involved in the process via stakeholder consultations and a public hearing.

Next steps

Work on the GGP is to be concluded in 2008; for 2009, follow-up work on guidelines is envisaged.

5.8 Liquefied Natural Gas Task Force (LNG TF)

Issues to be addressed

LNG-1: LNG

Background

LNG growth is increasingly important for the EU market and it is likely to have a significant impact on the development of competition. The growing requirement for gas imports to the EU - being partly met by way of LNG - may promote cross-country LNG trade, contributing to a dynamic gas market not only at European but also at international level. Against this background, it is necessary to ensure that there is no barrier for the contribution of LNG to the achievement of a competitive gas market. The harmonisation of certain rules is needed to achieve a single European LNG market.

5.8.1 LNG

EREGG deliverable



LNG-1: GGP-LNG, including an impact assessment of the recommendations

Justification

As European markets gain liquidity, competition develops and LNG supply shares increase, operational and regulatory rules on LNG terminals should converge. Common guidelines would help to reduce uncertainty about the future evolution of regulatory arrangements and would create a level playing field for investment. The LNG guidelines would aim at promoting security of supply, flexibility, competition and efficient use of European terminals.

Approach

The GGP-LNG are expected to be issued in 2008. A public consultation shall be held in the first quarter of 2008. Based on the evaluation of the comments received from stakeholders, and after a public hearing, final guidelines will be drafted.

Next steps

Compliance with the GGP-LNG shall be monitored.

6. CUSTOMER FOCUS GROUP (CFG)

Background

In July 2007 the electricity and gas markets were opened up to competition across EU Member States and all customers became free to choose their energy suppliers. The vision is to have one single European energy market, where customers can switch supplier regardless of national borders. The objectives for the internal electricity and gas market will, however, not be fulfilled unless the benefits reach all European electricity and gas customers. A well-functioning market needs well-informed and active customers with a strong position.

In 2008 the Customer Focus Group (CFG) will continue to focus on customer rights and position and on retail market functioning. The CFG will finalise activities that were set up in the Work Programme 2007 and start working on new issues with an emphasis on retail markets.

Important tasks for the CFG will be to monitor the retail markets from a customer perspective and to develop GGP for National Regulatory Authorities and other relevant bodies in their efforts to improve the retail markets and support customers. More specifically, the CFG will work, for example, on end-user energy price regulation, supplier switching and meter value management..

Organisation of CFG activities and issues to be addressed

- I. Customer Protection Task Force (CPR TF)
 - CPR-1 - Customer rights
 - CPR-2 - End-user price regulation
- II. Retail Market Functioning Task Force (RMF TF)
 - RMF-1 - Obstacles to supplier switching on the electricity retail market
 - RMF-2 - Meter value management
 - RMF-3 - Retail market functioning

6.1 Customer Protection Task Force (CPR TF)

Issues to be addressed

- CPR-1: Customer rights
CPR-2: End-user price regulation

Background

Customer protection is an important issue, particularly as the energy markets are increasingly opened up to competition.

The TF will continue its work on end-user price regulation and will initiate a review of the customer protection instruments in force in Member States in the light of the measures on consumer protection as defined in Annex A of the Electricity and Gas Directives of 2003 and the Third Package.

6.1.1 Customer rights

EREGG deliverable



CPR-1a: ERGEG Status Review of the transposition of consumer rights as defined in Annex A of the Electricity and Gas Directives of 2003



CPR-1b: ERGEG Status Review of customer protection instruments in Member States

Justification

CPR-1a was requested by the European Commission.

CPR-1b is related to the provisions for strengthening the role of customers in the Third Package. A set of three best practices in relation to the supplier switching process, price transparency and customer protection was published by the CFG in July 2006.

Two years later it seems particularly relevant and highly valuable to try to review if Member States have put in place these different customer protection instruments.

Approach

In order to deal with CPR-1a and CPR-1b, a questionnaire will be drafted by the CPR TF at the beginning of 2008. Based on the answers to the questionnaire, a report encompassing the main conclusions will be drafted by the CPR TF and will ultimately be presented to the CFG and the ERGEG plenary for approval by end of summer 2008.

Next steps

It may be useful to update the report in a couple of years, in order to review if significant steps were achieved towards the recommendations.

6.1.2 End-user price regulation

ERGEG deliverable



CPR-2: ERGEG Compliance Monitoring Report on the adoption of the position paper on end-user price regulation

Justification

Building competitive electricity and gas markets is in the interest of customers. Since 1st July 2007, electricity and gas markets in Member States have been fully open to all customers, including households. However, even after the 1st July deadline, some Member States seek to regulate end-user energy prices (the so-called “regulated tariffs”), arguing that this is a tool for protecting vulnerable customers. However, protecting vulnerable customers should not be confused with regulated tariffs for all or certain categories of customers.

In July 2007 ERGEG published a position paper on the issue, claiming that fully open markets with well-functioning competition cannot coexist with regulated end-user energy prices in the long term. ERGEG called on all countries which were in a transition period to publish an individual roadmap towards competitive markets and to remove regulated prices (by July 2008).

It seems now highly relevant to draft a report on the adoption of this position paper.

Approach

In the second quarter of 2008, the CPR TF will draft a questionnaire covering the main issues that are dealt with in the position paper. Based on the answers to the questionnaire, a report

encompassing the main conclusions will be drafted by the CPR TF and will ultimately be presented to the CFG and the ERGEG plenary for approval by the end of 2008.

6.2 Retail Market Functioning Task Force (RMF TF)

Issues to be addressed

- RMF-1: Obstacles to supplier switching on the electricity retail market
- RMF-2: Meter value management
- RMF-3: Retail market functioning

Background

The main issue for the Retail Market Functioning TF will be to create good conditions for well functioning electricity and gas markets for customers and market players. The RMF TF will continue its 2007 work on supplier switching. New tasks for 2008 will be to study retail market functioning and look into the role of customers with respect to a) contractual arrangements, b) data exchange and settlement rules, and c) data ownership and metering responsibility.

6.2.1 Obstacles to supplier switching on the electricity retail market

EREGG deliverable



RMF-1a: ERGEG GGP for removing obstacles

Justification

Since 1st July 2007, all customers in the EU have been eligible to switch supplier on the electricity market. While some countries have more than a decade's experience with an open market, other Member States had regulated markets until quite recently. Sharing experiences and identifying best practices is an important tool for improving national markets. This will also lead to the harmonisation of national regulations and systems for data exchange, which can lead to market integration.

Approach

During summer 2007, a questionnaire was posted on the CEER website. All the CEER members were asked to fill it in. Based on those responses received, and other sources like national reports, a report on the subject will be prepared by the Task Force.

EREG deliverable



RMF-1b: ERGEG GGP on data to be submitted to the regulators for the development of reliable switching rates

Justification

Reporting of switching rates is generally poor. In a number of cases this may be due to the fact that regulators do not receive appropriate data. Guidelines shall be prepared addressing the relevant data to be provided to regulators, the categories of customer groups to be assessed and the responsibilities for data provision.

EREG deliverable



RMF-1c: ERGEG Compliance Monitoring Report on the transposition of Supplier Switching BPPs in Member States. Case studies.

Justification

Having identified obstacles to supplier switching and possible best practices, the next step is implementation. This report will focus on good examples, which will be an inspiration for regulators in countries where the market is still developing.

Approach

One of the questions in the questionnaire from the RMF TF concerning obstacles to supplier switching (see RMF-1a) is the following:

Does the regulator consider that the supplier switching procedures and data exchange in its country is satisfactory? Does the regulator or other parties (e.g. industry organisations) work on improving the process?

- a) current process and data exchange is satisfying
- b) improvement of process is underway
- c) improvement has recently been implemented.

Countries where improvement of the process is underway or has recently been implemented could be case studies in the report.

6.2.2 Meter value management

EREGG deliverable



RMF-2: ERGEG GGP on methods for estimating consumption or reading the meter, rules for DSOs, and information about the estimation.

Justification

Even though a growing number of customers are metered hourly (or with another frequency) with automatic meters, the majority of European customers are still metered by manual meters, where meter data are recorded periodically, for instance once every quarter or once a year. In order to determine the consumption of these customers per hour (or other time unit), some sort of consumption profile has to be used. Good regulation of metering is an important issue when it comes to market development.

Approach

Given that the work on this report will start in more than a year's time, it is too early to say much about the approach. The RMF TF has used questionnaires as an approach for several earlier reports, and maybe a more theoretical report with some case studies could be a good approach.

6.2.3 Retail market functioning

EREGG deliverable



RMF-3: ERGEG GGP on the definition of the role of customers with respect to contractual arrangements, data exchange and settlement rules, data ownership and metering responsibility.

Justification

A well-functioning market needs well-informed and active customers with a strong position. It should be easy to be a customer and to switch supplier. The aim of this task force is to look into the customers' role in the market with respect to a) contractual arrangements, b) data exchange and settlement rules and c) data ownership and metering responsibility.

7. UNBUNDLING, REPORTING AND BENCHMARKING TASK FORCE (URB TF)

Background

The URB TF was created to organise work in work streams within different Working Groups and Task Forces in the past. The common denominator of the TF is that it is working on umbrella issues related to regulation and monitoring. Hence, the TF combines work streams which seek to improve regulatory practice not specific to gas or electricity.

URB-1 is relevant for the discussions in relation to the Third Package as there is a provision on GGP for DSOs. URB-4 is also relevant in so far as the assessment paper tries to identify major developments in the implementation of the existing legal framework in all Member States. The conclusions to be drawn from this exercise are instrumental in coming forward with priority areas for further analysis or regulation.

The TF will presumably be charged with additional work as input to the discussion on ownership unbundling vs. ISO models.

7.1 Issues to be addressed

- URB-1 - Informational and functional unbundling
- URB-2 - Follow-up work on the European Commission Benchmarking Report

7.1.1 Informational and functional unbundling

EREG deliverable



URB-1: ERGEG Advice on the implementation of the approved GGP on Informational and Functional Unbundling (GGP-IFU) of 2007 during the interim period

Justification

In 2007 ERGEG produced GGP on Informational and Management Unbundling. These Guidelines already touched on the issue of how to implement them during the interim period, i.e. until legal provisions are provided by the EU. Implementation may be executed via governance codices or quality standards. Some recommendations on how to implement the Guidelines are necessary for a harmonised approach.

Approach

In 2007 the public consultation was finalised and the final GGP-IFU will be finalised in 2008.

The TF will also look on the possibilities for implementing unbundling guidelines without firm legal mandatory obligations. It will also assess the merits of such an implementation during an interim period. A study with the purpose of evaluating the national situation in company law concerning corporate governance and quality standards (partly shift from 2007) and verifying the compatibility of corporate governance and unbundling shall be conducted as well a public consultation. Based on the replies received during the public consultation, the TF will draft an evaluation report and finalise its recommendations for the implementation of the Guidelines on Informational and Management Unbundling.

Next steps

As the Third Package envisages guidelines on unbundling for DSOs, the TF will contact the Commission to initialise a discussion on such Guidelines on the basis of the GGP-IFU.

7.1.2 Follow-up work on the European Commission Benchmarking Report

EREG deliverable



URB-2: ERGEG Status Review of electricity and gas markets in the European Union

Justification

The contribution of national regulators to the Commission's benchmarking report constitutes an essential element. Every year the CEER has to adapt the content of the contributions according to actual issues discussed in public.

Approach

The TF will coordinate the content of the National Reports with DG TREN and provide the blueprint structure for the reports. The TF will work to further harmonise the definition of switching and propose a more general set of indicators for evaluating the functioning of retail competition. Furthermore, the TF will try to clarify open questions and improve definitions of indicators where necessary.

The TF will prepare a Status Review - assessment of the electricity and gas markets in the European Union.

Next steps

The TF will coordinate the Status Review of electricity and gas markets in the European Union with the Commission's benchmarking report.

8. INTERNATIONAL STRATEGY GROUP (ISG)

Background

The International Strategy Group (ISG) was established in the 2007 Work Programme to coordinate the CEER activities in the field of international cooperation. The two main fields of activity of the ISG are international cooperation and training.

In 2007, the Group prepared an internal document with a proposal for a CEER international cooperation strategy. After completing an extensive process, three priority axes for international cooperation have been retained: supporting the European policy with regard to security of supply (covering the Euromed countries, the countries of the Baku Initiative and Russia,), supporting the implementation of the EU energy acquis (involving the candidate countries for EU accession, the countries of the Energy Community of South East Europe and Switzerland) and structuring the dialogue between the European regulators and other regulators/regulatory associations (dealing with the US regulators, ARIAE, AFUR, etc). On this basis, the following step is the establishment of an Action Plan proposing concrete measures for each of the priority axes.

Internal training needs of the CEER are mainly covered by the Florence School of Regulation, but as far as training and technical assistance to external parties is concerned, the numerous activities at the CEER and national levels require a more structured approach and a training policy for the CEER. In this respect, the second axis of international strategy foresees the involvement of regulators in the implementation of the EU energy acquis. The CEER and its member authorities employ a host of experts on numerous subjects related to energy regulation, its legal, technical and economic implications and aspects. This huge potential can be even more beneficial if our training activities are undertaken within a more consistent and structured framework. In recent years, the number of training requests from external parties such as the European Commission, the Inogate Secretariat, and individual regulatory authorities outside the EU has considerably increased and our experts have been at the disposal of the requesting parties. Yet, these missions have been organised on a case-by-case basis, which can prove time-consuming and burdensome if requests continue to increase. It will therefore be the task of the ISG to develop a training policy for the CEER and appropriate tools for a quick and efficient response to incoming requests.

9. ENERGY COMMUNITY WORKING GROUP (ENC WG)

Background

The Energy Community Treaty entered into force on 1st July 2006. The Energy Community Regulatory Board (ECRB), established by the Treaty had its inaugural meeting on 11th December 2006. A delegate of the Commission represents the European Community in the ECRB. As foreseen by the Treaty, the Commission shall be assisted by the regulatory authorities of Member States with the status of participants, as well as by a representative of ERGEG, without voting rights. The representation of ERGEG and regulators of the participants within the ECRB will ensure the active involvement of European regulators in Energy Community developments.

The members of the ENC WG, along with the regulators of the other participants and the ERGEG representative, will participate in the work and meetings of the ECRB. It will be the task of the ENC WG members to closely follow the work of the ECRB and provide relevant input to the CEER and ERGEG in order for the latter to formulate its response to the regulatory developments in the Energy Community and, consequently, its advice to the Commission in accordance with Decision 2003/796/EC.

10. FLORENCE SCHOOL AND IERN TASK FORCE (FIERN TF)

Background

This Task Force manages the relations with the Florence School of Regulation (FSR), which to date has provided much of the CEER's training needs. A key aspect of this relationship is the further development of the International Energy Regulation Network website (www.iern.net), which was successfully launched by the CEER at the World Forum on Energy Regulation (WFER) III in Washington DC in October 2006.

The IERN website was heralded in the Conclusions of the World Forum: "With the support of regulatory associations and development agencies, this global web platform will allow for the delivery of mutually beneficial information, a better understanding of trends in market design and regulation, facilitating international collaboration and improved research and training to the benefit of all energy regulators and market participants".

10.1 Issues to be addressed

- FIERN 1: Florence School of Regulation (FSR)
FIERN-2: International Energy Regulatory Network (IERN)

10.1.1 Florence School of Regulation (FSR)

CEER deliverable



FIERN-1: Input and contribution to the FSR annual training programme

Justification

As the CEER has chosen to undertake its own training initiatives, it will be the task of the ISG to develop a suitable training policy, using the FSR as appropriate. The year 2007/08 is the fourth year of activity of the Florence School of Regulation. The objectives for the year 2007/08 are to continue work in the energy field and to explore issues concerning regulation of other sectors where synergies with energy regulation can be found. Finally, the FSR will consolidate its research output by issuing calls for papers and by commissioning research studies strictly connected to the topics discussed at the workshops and annual conference.

Approach

FSR training focuses on the regulation of energy utilities and contains two main types of courses: a basic training course and advanced training courses. Appropriate training courses could be organised in order to satisfy the training needs of the energy regulatory institutions belonging to MEDREG by promoting the development of a network among regulators of EU and non-EU countries. MEDREG countries' participation in the courses has been supported by the European Commission (through technical assistance projects) and the CEER. FSR already advanced a specific training proposal for MEDREG which was already welcomed by Algeria and Egypt.

Next Steps

The FIERN TF will concentrate on developing these tools and will agree on further training activities with the FSR.

10.1.2 International Energy Regulatory Network (IERN)

CEER deliverable



FIERN-2: Improving and promoting the IERN web platform

Justification

IERN is a web platform that aims to facilitate information exchange on electricity and natural gas market regulation to the benefit of regulators and other interested users. Through IERN, regulators and other energy market stakeholders will be able to exchange information about themselves, the sectors they are involved in and the way these sectors are regulated.

The IERN web platform is a key element for the CEER strategy for facilitating international collaboration, exchanging information among regulators and creating links of interest.

Approach

In order to promote IERN to other organisations, the TF will try to involve industry associations and consumer associations, analysing the feasibility in each of their geographical areas. Moreover, possibilities for funding will be checked among organisations such as the EU and other supranational organisations.

An annual update of the existing contents of the website and the addition of new regulators are two of the main goals of the IERN Work Programme 2007. Following the implementation of the necessary changes to the technical side of the web platform, associations and/or regulators will be able to update relevant data themselves. We intend to roll out this decentralisation to most associations but will retain the coordination and assistance to users for the new instruments during 2008. We consider this another important step towards giving NRAs a sense of ownership of the website.

In order to identify the most valid training institutions and training sessions, the IERN Management Team will also count on the assistance from regional associations.

Information contained on the IERN website is not of a confidential nature but provides value through the standardised approach and sheer number of regulators and countries covered in a single source. It is impossible to identify who accesses the IERN website and for what reason. We

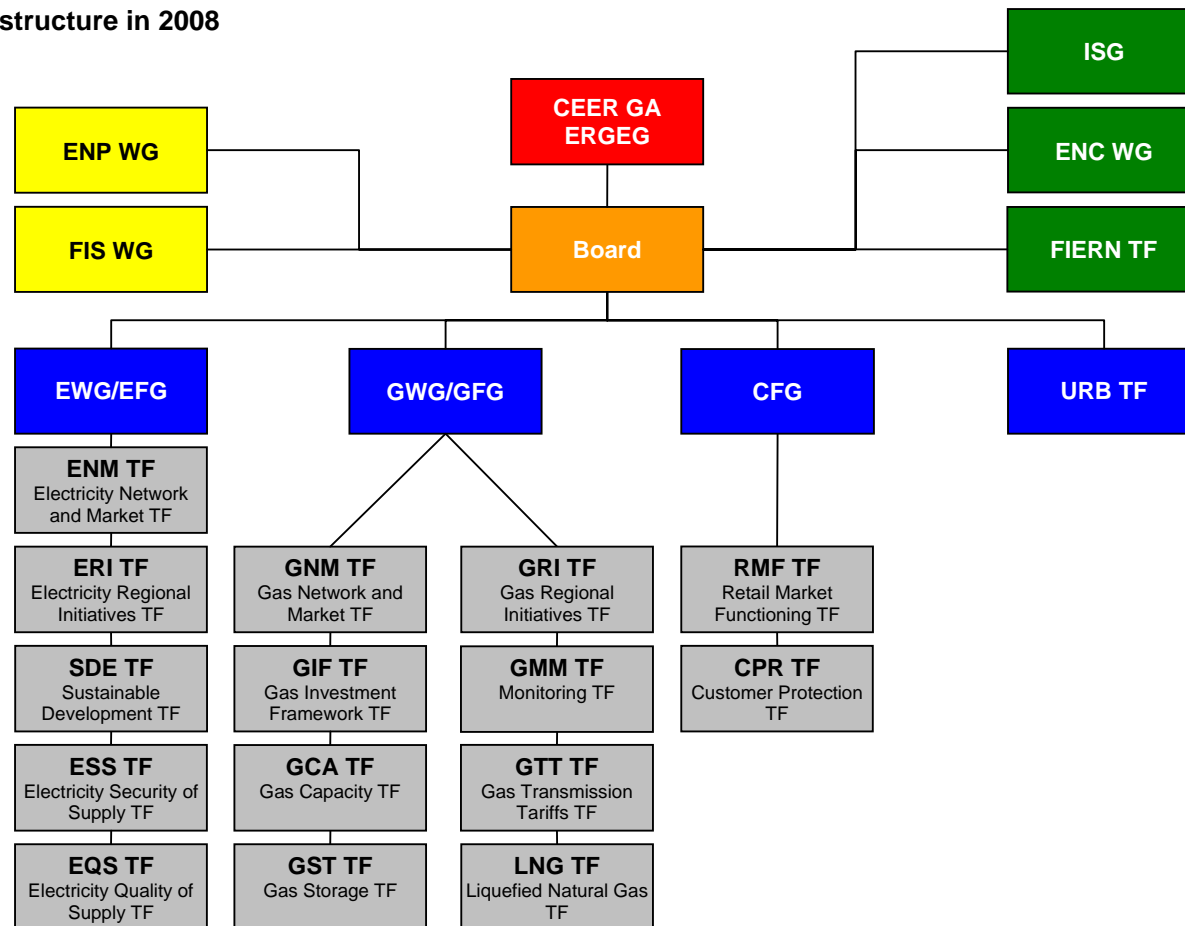
have noticed, though, that the site is contacted by entities like consulting companies, which might use the information provided for commercial purposes. Therefore we shall study a scheme on how to best split access according to the type of user: a) the general public, b) fee payers, and c) members. Keeping in mind that we are still trying to obtain long-term funding from institutions like the World Bank, this idea might have to be discussed with them.

Next Steps

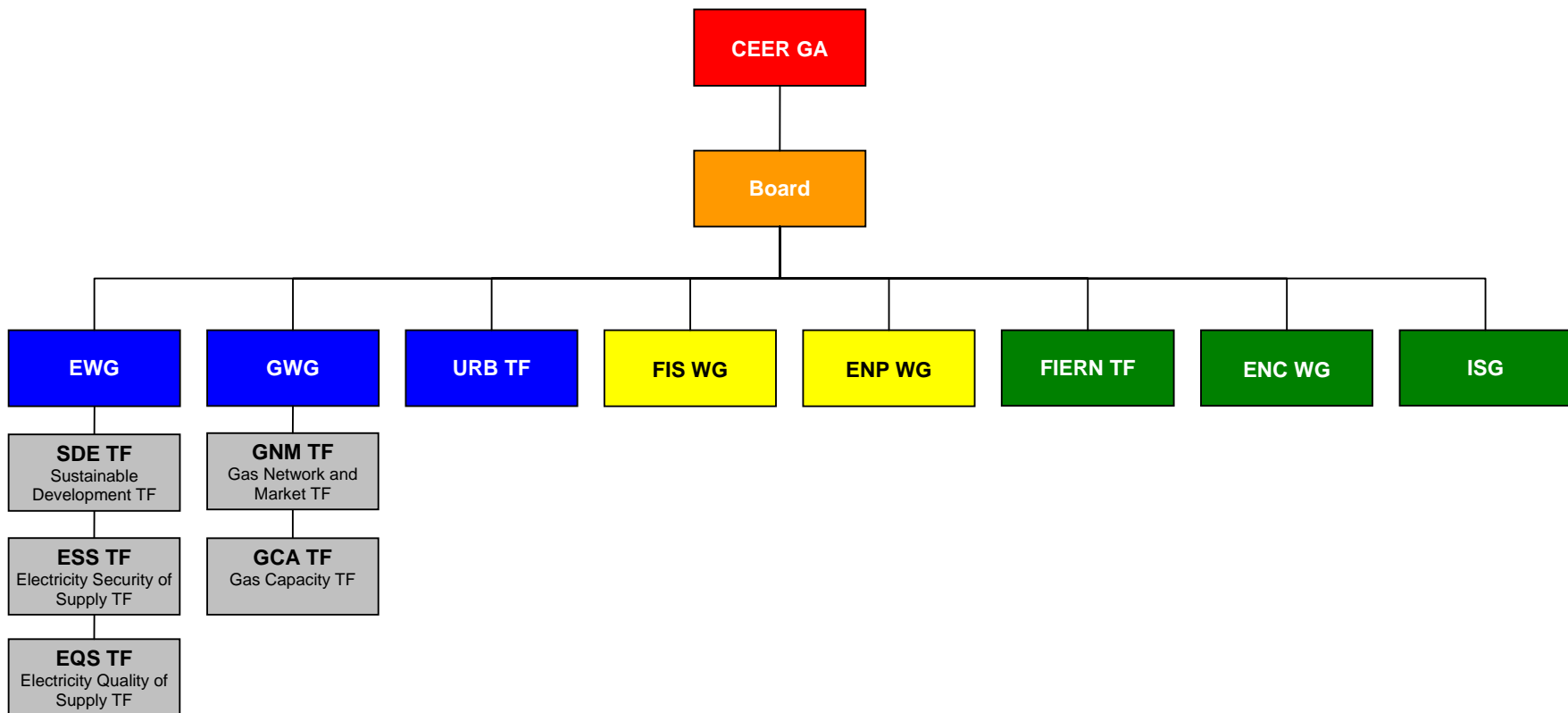
Improvement of the IERN web platform will continue in 2009.

11. ANNEX I: ORGANISATIONAL STRUCTURE

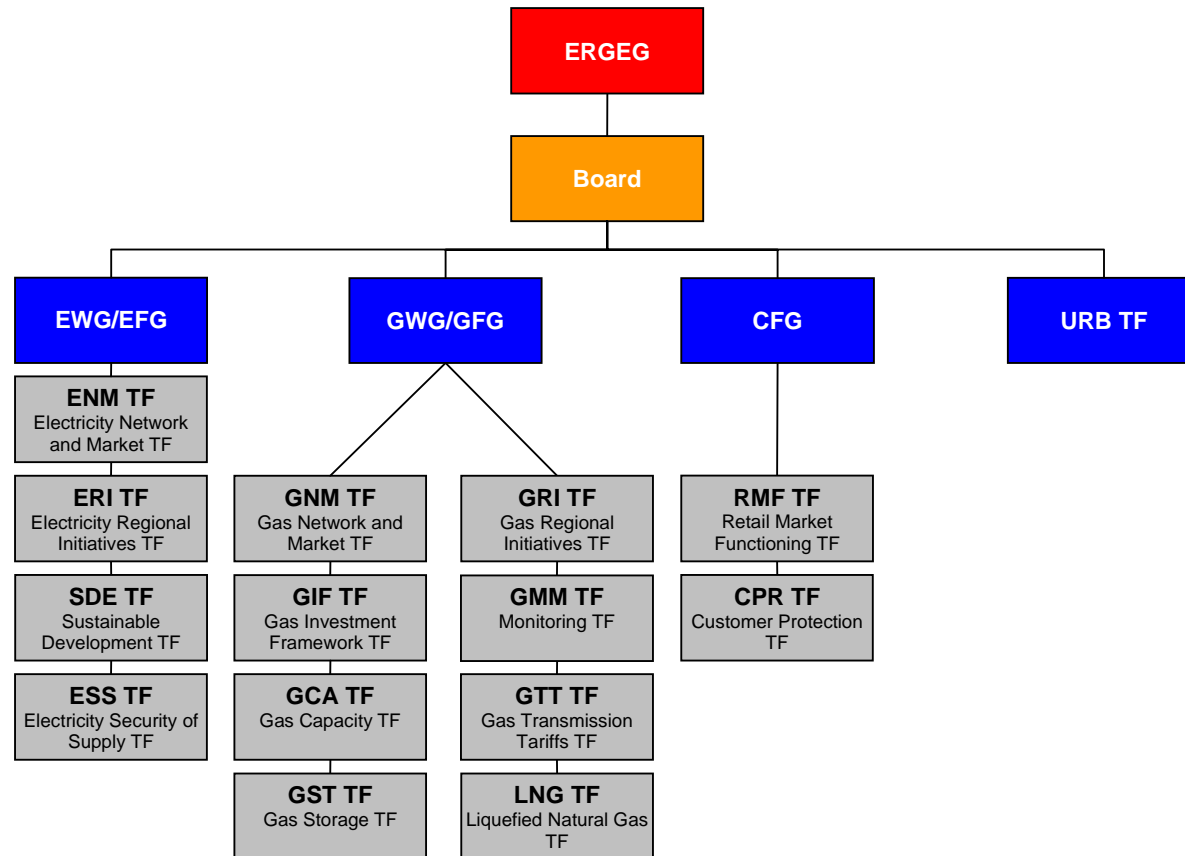
CEER and ERGEG structure in 2008



CEER Working Groups and Task Forces in 2008



EREG Focus Groups and Task Forces in 2008














12. ANNEX II: LIST OF ABBREVIATIONS













ACER	Agency for the Cooperation of Energy Regulators
CAD	Capital Adequacy Directive
CAM	Capacity Allocation Mechanisms
CEBS	Committee of European Banking Supervisors
CEER	Council of European Energy Regulators
CENELEC	European Committee for Electrotechnical Standardization
CESR	Committee of European Securities Regulators
CFG	Customer Focus Group
CM	Congestion Management
CMP	Congestion Management Procedures
CPR TF	Customer Protection Task Force
DEA	Data Envelopment Analysis
DEN	Draft Explanatory Notes
DG	Directorate General
DG COMP	Directorate General for Competition
DG Env	Directorate General for the Environment
DG TREN	Directorate General for Transport and Energy
DSO	Distribution System Operator
EC	European Commission
ECRB	Energy Community Regulatory Board
EFET	European Federation of Energy Traders
EFG	Electricity Focus Group
ENC WG	Energy Community Working Group
EMD TF	Electricity Market Design Task Force
ENM TF	Electricity Network and Market Task Force
ENP WG	Energy Package Working Group
ENV TF	Environmental Task Force
EQS TF	Electricity Quality of Supply Task Force
ERGEG	European Regulators Group for Electricity and Gas
ERI	Electricity Regional Initiative
ERI TF	Electricity Regional Initiative Task Force
ERRA	Energy Regulators Regional Association













ESS TF	Electricity Security of Supply Task Force
ETSO	European Transmission System Operators
EuroPEX	Association of European Power Exchanges
EWG	Electricity Working Group
FIERN TF	Florence School and IERN Task Force
FIS WG	Financial Services Working Group
FSR	Florence School of Regulation
GA	General Assembly
GCA TF	Gas Capacity Task Force
GFG	Gas Focus Group
GIF TF	Gas Investment Framework Task Force
GGP	Guidelines of Good Practice
GGP-CAP	Guidelines of Good Practice on Capacity Calculation
GGP-EBMI	Guidelines of Good Practice on Electricity Balancing Markets Integration
GGP-GB	Guidelines of Good Practice on Gas Balancing
GGP-IFU	Guidelines of Good Practice on Informational and Functional Unbundling
GGP-IMT	Guidelines of Good Practice on Information Management and Transparency
GGP-LNG	Guidelines of Good Practice on LNG
GGP-OS	Guidelines of Good Practice on Open Season Procedures
GGP-SSO	Guidelines of Good Practice for Storage System Operators
GMM TF	Gas Market Monitoring Task Force
GNM GF	Gas Network and Market Task Force
GRI	Gas Regional Initiative
GRI TF	Gas Regional Initiative Task Force
GTE	Gas Transmission Europe
GTT TF	Gas Transmission Tariffs Task Force
GWG	Gas Working Group
IEM	Internal Energy Market
IERN	International Energy Regulation Network
IFIEC	International Federation of Industrial Energy Consumers
ISDA	International Swaps and Derivatives Association
ISG	International Strategy Group
LNG	Liquefied Natural Gas














LNG TF	Liquefied Natural Gas Task Force
MiFID	Markets in Financial Instruments Directive
NRA	National Regulatory Authority
OTC	Over The Counter
RES TF	Renewables Task Force
RI	Regional Initiative
RMF TF	Retail Market Functioning Task Force
SAF	System Adequacy Forecast
SDE TF	Sustainable Development Task Force
SFA	Stochastic Frontier Analysis
SoS	Security of Supply
SSO	Storage System Operators
TPA	Third Party Access
TSO	Transmission System Operator
URB TF	Unbundling, Reporting and Benchmarking Task Force
WFER	World Forum on Energy Regulation
WS	Workstream
WS EFB	Workstream on Efficiency Benchmarking






13. Annex III: LIST OF DELIVERABLES

CEER or ERGEG	#	Issue	Deliverable
	FIS-1	Regulatory oversight of energy products	CEER Status Review of regulatory oversight of wholesale products (physical and financial) at power exchanges and in the OTC (Over The Counter) market and identification of regulatory gaps including a proposal on how to fill the gaps
	FIS-2a	Record-keeping and transparency requirements for wholesale transactions	CEER Advice on transparency requirements for wholesale transactions, based on an analysis of the status quo and the consequences of a certain level of transparency on the market/behaviour of market participants
	FIS-2b	Record-keeping and transparency requirements for wholesale transactions	CEER Advice on record keeping based on Articles 22f and 24f of the Commission's proposals for amending Directives 2003/54 and 2003/55, as input for binding guidelines to be adopted by the Commission, following the European Commission's mandate
	ENM-1a	Framework for the EU Electricity Grid	ERGEG Guidelines of Good Practice for Security and Reliability Rules
	ENM-1b	Framework for the EU Electricity Grid	ERGEG Discussion Paper on grid connection and access rules
	ENM-2	Electricity market design issues	ERGEG Discussion Paper on market design
	ENM-3a	Evolution of congestion management (CM)	ERGEG Compliance Monitoring Report on CM (part of the Monitoring Report on Compliance with Regulation (EC) 1228/2003)
	ENM-4	Balancing and intra-day markets integration	ERGEG Guidelines of Good Practice for the integration of electricity balancing markets, intra-day markets and automatically activated reserves
	ENM-5a	Evolution of inter-TSO compensation and transmission tariff structures	ERGEG Compliance Monitoring Report on ITC and tariffication (part of the Monitoring Report on Compliance with Regulation 1228/2003/EC)
	ENM-5b	Evolution of inter-TSO compensation and transmission tariff structures	ERGEG Discussion Paper on the further harmonisation of transmission tariff structures, including locational signals and inter-TSO compensation rules
	ENM-6a	Infrastructure investments	ERGEG Discussion Paper on electricity infrastructure investments

CEER or ERGEG	#	Issue	Deliverable
	ENM-6b	Infrastructure investments	ERGEG Status Review on building and construction authorisation and permission processes, using case examples
	ENM-6c	Infrastructure investments	ERGEG Discussion Paper on joint grid planning
	ENM-7	Treatment of losses by network operators	ERGEG Discussion Paper on the treatment of losses by network operators
	ERI-1	Public presentation of RI results	Annual conference preparation, annual report, etc.
	ERI-2	Coherence and convergence	ERGEG Status Review of coherence and convergence in the RI
	ESS-1	Generation adequacy	ERGEG Discussion Paper on generation adequacy treatment
	ESS-2	Information exchange platform on security of supply situation	Establishment of an EU-wide platform for internal information exchange on the Security of Supply situation
	ESS-3	System adequacy forecasting	ERGEG Discussion Paper on a methodology to forecast system adequacy
	EQS-1	Quality of electricity supply	4th CEER Quality of Electricity Supply Benchmarking Report
	EQS-2	Voltage quality regulation	Follow-up of the ERGEG Conclusion Paper and participation in the revision process of the European standard EN 50160
	EQS-3	Joint work with other CEER/ERGEG structures about quality of supply-related subjects	1) Workshop for disseminating actual experiences on willingness to pay or willingness to be compensated (surveys already carried out in four European countries) 2) Discussion of a possible EU and EEA-wide customer survey performed by Eurobarometer
	SDE-1	RES _e support schemes	ERGEG Impact Assessment Report of renewable support and energy efficiency schemes on the functioning of the internal electricity market (update of CEER 2004 report)

CEER or ERGEG	#	Issue	Deliverable
	SDE-2	Sustainable development report	CEER Status Review of sustainable development, looking at various indicators for the way regulators advance work on sustainability
	GNM-1	Third Package	ERGEG response to the Third Package: prepare and manage the cooperation with TSOs
	GRI-1	Public presentation of RI results	Annual conference preparation, annual report, etc.
	GRI-2	Coherence and convergence	ERGEG Status Review of coherence and convergence in the RI
	GMM-1	Monitoring compliance with Regulation 1775/2005 and Explanatory Notes	ERGEG Compliance Monitoring Report on Regulation 1775/2005 including annexed guidelines
	GMM-2a	Monitoring compliance with GGPs	ERGEG Compliance Monitoring Report on GGP on gas balancing (GB)
	GMM-2b	Monitoring compliance with GGPs	ERGEG Compliance Monitoring Report on GGP on Open Season Procedures (OS)
	GMM-2c	Monitoring compliance with GGPs	ERGEG Compliance Monitoring Report on GGP-LNG
	GMM-3	Assessment of reasons for non-compliance and impact of non-compliance	ERGEG Impact Assessment Report on reasons for non-compliance with Regulation 1775/2005 and impact of non-compliance with GGPs and possible solutions for the improvement of market functioning
	GIF-1	Investments (TPA exemptions)	ERGEG Status Review of practices and experiences with Article 22 (update of 2007 report)
	GIF-2	Regulatory investment incentives and non-domestic investment	ERGEG Guidelines of Good Practice on the regulatory framework for non-domestic investment with a focus on tariff design, including transit tariffs and possible incentives for investment
	GTT-1	Transmission tariffication	ERGEG Guidelines of Good Practice on Transmission Tariff Design

CEER or ERGEG	#	Issue	Deliverable
	GTT-2	Transmission tariffs benchmarking	ERGEG Benchmarking Report on Transmission Tariffs
	GCA-1a	Capacity calculation	CEER GGP on Capacity Calculation (GPP-CAP)
	GCA-1b	Capacity calculation	CEER Impact Assessment Report on the implementation of GPP-CAP and results
	GCA-2	Capacity allocation and congestion management	ERGEG GGP on capacity allocation mechanisms (CAM) and congestion management procedures (CMP) (including secondary market guidelines) as an improvement of current guidelines in Annex (point 2) of Regulation 1775/2005
	GST-1	Storage capacity allocation and management	ERGEG GGP on CAM and CMP for storage. Report on the situation in different EU Member States, possible solutions for better TPA to storage
	LNG-1	LNG	GGP-LNG, including an impact assessment of the recommendations
	CPR-1a	Customer rights	ERGEG Status Review of the transposition of consumer rights as defined in Annex A of the Electricity and Gas Directives of 2003
	CPR-1b	Customer rights	ERGEG Status Review of customer protection instruments in Member States
	CPR-2	End-user price regulation	ERGEG Compliance Monitoring Report on the adoption of the position paper on end-user price regulation
	RMF-1a	Obstacles to supplier switching on the electricity retail market	ERGEG GGP for removing obstacles
	RMF-1b	Obstacles to supplier switching on the electricity retail market	ERGEG GGP on data to be submitted to the regulators for the development of reliable switching rates
	RMF-1c	Obstacles to supplier switching on the electricity retail market	ERGEG Compliance Monitoring Report on the transposition of Supplier Switching BPPs in Member States. Case studies.
	RMF-2	Meter value management	ERGEG GGP on methods for estimating consumption or reading the meter, rules for DSOs, and information about the estimation.

CEER or ERGEG	#	Issue	Deliverable
	RMF-3	Retail market functioning	ERGEG GGP on the definition of the role of customers with respect to contractual arrangements, data exchange and settlement rules, data ownership and metering responsibility.
	URB-1	Informational and functional unbundling	ERGEG Advice on the implementation of the approved GGP on Informational and Functional Unbundling (GGP-IFU) of 2007 during the interim period
	URB-2	Follow-up work on the European Commission Benchmarking Report	ERGEG Status Review of electricity and gas markets in the European Union
	FIERN-1	Florence School of Regulation (FSR)	Input and contribution to the FSR annual training programme
	FIERN-2	International Energy Regulatory Network (IERN)	Improving and promoting the IERN web platform