



Fostering energy markets, empowering **consumers**.

CEER 2019 Work Programme

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Table of contents

1	Introduction.....	3
1.1	Who is CEER?.....	3
1.2	CEER as a valued partner	3
2	CEER's 3D Strategy (2019 - 2021)	4
2.1	Digitalisation in the consumer interest	4
2.2	Decarbonisation at least cost.....	4
2.3	Dynamic regulation	4
3	CEER work areas in 2019.....	5
3.1	Consumers in an increasingly digital world and retail markets	5
3.2	New legislative/policy developments.....	6
3.3	The role of Distribution System Operators	6
3.4	Gas and electricity market developments	6
3.5	International work beyond the borders of the EU	6
3.6	Other work areas	6
4	CEER Work Programme 2019 Outputs.....	7

1 Introduction

1.1 Who is CEER?

The Council of European Energy Regulators (CEER) is the European association of energy national regulatory authorities (NRAs). CEER supports the important work of NRAs to foster a sound European regulatory framework. CEER does this by developing good practices in energy regulation and sharing experience including through training, workshops and international collaboration with other regulatory bodies within and outside of Europe. CEER champions the development of competitive and innovative markets in the public interest through robust, independent regulation. For more information about CEER and our work, please visit our website www.ceer.eu.

1.2 CEER as a valued partner

CEER cooperates closely with the EU Agency for the Cooperation of Energy Regulators (ACER), and our respective work complements and strengthens one another's roles. ACER has a legislative mandate and responsibilities related to the cross-border regulatory framework for the effective operation of Europe's Internal Energy Market (IEM). CEER's scope of activities and its membership consist of the regulators from the EU and EEA Member States, and has 8 European NRAs as Observers.

CEER (as a voluntary association) has the freedom to develop bold, forward-looking European visions and solutions in the public interest. CEER is on the frontline of delivering the IEM in important areas where ACER does not have the resources or a mandate, and in respect of implementing and enforcing EU-wide rules nationally. The experiences shared and nourished within CEER help inform the policy cycle and ultimately help Europe's energy NRAs and ACER in working on behalf of the energy consumer.

CEER will continue to be active in supporting the European institutions to further develop and implement measures to enhance the IEM. We anticipate that the CEER work programme for 2019 will need to be adapted to take account of these expected developments, for example in relation to the Clean Energy legislative proposals once they are adopted.

2 CEER's 3D Strategy (2019 - 2021)

Each year CEER publicly consults on its work programme for the year ahead. In 2018 CEER consulted not only on the draft 2019 work programme but also on the key trends and drivers which energy regulators need to factor into the development of regulatory frameworks over the coming 3 years. CEER thanks the 21 respondents, from a variety of organisations, who provided their valuable views which have helped inform CEER's 3D Strategy and 2019 Work Programme. The result is CEER's 3D Strategy for the period 2019-2021, and this present document (the 2019 Work Programme) to implement the first year of this 3-year strategy. The non-confidential responses received, the [Evaluation of Responses](#) and the "3D Strategy" are published on the CEER website.

In brief, the core elements of CEER's 3D strategy for the period 2019-2021 are:

- Digitalisation in the consumer interest (D1)
- Decarbonisation at least cost (D2) and
- Dynamic regulation-European solutions for adaptive regulation in a fast-changing world (D3).

As regulators' primary concern is with protecting the interests of European consumers, consumers are at the very core of [CEER's 3D Strategy](#).

2.1 Digitalisation in the consumer interest

Digitalisation is driving changes for the whole economy, including the energy sector. In setting digitalisation as a strategy policy area (D1), regulators seek to enable digitalisation in the consumer interest. The CEER's digitalisation public consultation paper (foreseen for March 2019) will look at what digitalisation means for consumers and the role of regulators to enable digitalisation of the energy system in a positive way for the consumer. This is likely to lead to follow on work in 2020 and beyond.

2.2 Decarbonisation at least cost

The climate agenda and "Clean Energy" objectives are major policy drivers for change in the energy sector. Importantly, CEER's decarbonisation policy priority area is about decarbonisation at least cost (and not decarbonisation per se). Cost-efficient decarbonisation of the energy sector needs a cross-sectoral (electricity and gas) and whole system approach, keeping in mind all aspects: wholesale, networks, retail and potential impacts on infrastructure development. It also needs to factor in impacts on the electricity and gas sector from decarbonisation of mobility and building sectors (green mobility, efficiency etc.).

2.3 Dynamic regulation

CEER sees that regulation must be stable, but not static. Regulation must adapt to market evolutions, including a growing diversity and number of participants. Europe's energy regulators are determined to make regulation coherent with the fast-changing environment that digitalisation and decarbonisation bring about, whilst continuing to protect the European energy consumers' interests effectively.

Dynamic regulation refers to:

- full and coherent implementation in practice of the legislative and regulatory framework in the European Union;
- an appropriate oversight to ensure trust in the market; and
- a strong link between the evolution of the energy sector and regulatory implementation by developing future-proofed European solutions.
- An adaptive regulation, inciting regulators to evolve, to be open to innovation, and to work on enhancements to their regulatory frameworks, while pursuing reasonable stability, in order to ensure predictability for market players and readability for consumers.

3 CEER work areas in 2019

This CEER 2019 Work Programme comprises 17 public deliverables. These are developed from the 3D Strategy: Digitalisation in the consumer interest; decarbonisation at least cost; and dynamic regulation. As the association of energy NRAs, CEER will continue to assist NRAs enhance their capability to fulfil their individual responsibilities to implement a competitive, sustainable and secure energy market in Europe. There will be many workshops, events and training courses. A central initiative during 2019 will be on dynamic regulation to enable the digitalisation of the energy system in the consumer's interest. We will continue to promote competitive retail markets. CEER will also deepen its examination of how the role of DSOs is changing in the face of continuing legal and technical developments. We will consider further how the regulatory framework should evolve dynamically to keep pace with those changes. We will monitor developments in cyber security. We will continue our international relations with regulators internationally to exchange experiences and to respond to the growing interaction between the European internal energy market and its neighbouring markets.

3.1 Consumers in an increasingly digital world and retail markets

Consumers and retail markets will be an ongoing priority in 2019 (and beyond). We will examine how dynamic regulation can further support the needs of consumers including making recommendations on the consumer impacts of dynamic price implementation. Monitoring consumer protection and retail markets will continue to be a major focus of our work. CEER's priorities for 2019 emphasise that energy customers have an increasing level of active involvement in energy markets. We remain committed to enabling consumers to engage more effectively in energy markets and in energy regulation issues.

We will encourage retail market competition and foster appropriate levels of consumer protection and empowerment in an evolving European market. We will work with our members so that they can identify the gaps in their own markets for well-functioning retail energy markets, so that customers experience a better market by 2025. CEER will continue to develop the Partnership for the Enforcement of European Rights (PEER), a CEER-led initiative which has become an established cross-sectoral and cross-authority form of cooperation at European level. We will look at what digitalisation means for consumers and what is the role of regulators to enable digitalisation of the energy system in a positive way for the consumer. We will work actively in support of the European institutions in the development of smart grids as well as in other areas. CEER is also developing guidelines for bundled products.

3.2 New legislative/policy developments

CEER will interact with, and give input to, the European Institutions in particular in relation to the development and implementation of the Clean Energy for all Europeans legislation and the New Deal for Consumers. CEER remains committed to working with and advising the European Commission on regulatory aspects in a range of areas, including wholesale and retail markets, smart grids and consumer rights.

3.3 The role of Distribution System Operators

Examining the changing role of DSOs will remain a priority for 2019. We will seek to anticipate current retail and wholesale market developments, notably in relation to digitalisation and decarbonisation. Other important issues to be addressed include network tariffs and developing a whole system approach to incentives schemes. Flexibility is a cross-cutting issue that needs to be considered with regards to both markets and networks. In 2019, CEER will make proposals for arrangements to ensure the efficient procurement of flexibility taking account of interactions between DSOs and TSOs.

3.4 Gas and electricity market developments

CEER will report on the effect renewables generation is having on future investment signals. We will produce our annual report on the regulatory frameworks (for investment conditions) of European energy networks, looking at the regulatory regimes and analysing how the cost of capital is determined. CEER will examine the role of regulation in innovation, the role of gas networks and the interaction between gas and electricity networks as the energy system moves towards decarbonisation. We will benchmark power losses. In preparation for the 2020 update of the benchmarking report on quality of electricity and gas supply, CEER will work on the harmonisation of indicators.

3.5 International work beyond the borders of the EU

CEER remains committed to holding a constructive dialogue with international partners, particularly near neighbours, and supports the European Commission and the EU's external priorities. CEERs international work in 2019 will focus on:

- Pro-actively engaging regulators in countries neighbouring the EU;
- Promoting and supporting energy security;
- Engaging non-regulatory energy authorities in order to exchange expertise on good regulatory practices; and
- Monitoring and engaging in developments that could impact on EU NRAs.

3.6 Other work areas

CEER will undertake important monitoring work across a range of areas and will work with ACER on the development and implementation of the European regulatory framework in both gas and electricity.

4 CEER Work Programme 2019 - Results

Sector	Title	Description	3D Strategy	Deliverable /Activity	Expected start time	Expected end time
Customers & Retail Markets	Status Review with a focus on the gap-analysis for the Roadmap to 2025 for Well-Functioning Retail Energy Markets	In 2018, CEER is preparing a Status Review on the progress of the self-assessment by NRAs based on CEER's Roadmap to 2025. In order to achieve the ambitions for well-functioning retail markets in 2025, CEER will monitor progress and highlight advances on a regular basis. CEER will follow up with a new Status Review in 2019 to be published in 2020.	Dynamic Regulation	Status Review	Q1 2019	Q4 2020
Customers & Retail Markets	ACER/CEER Market Monitoring Report on Consumer Empowerment and Protection Chapter	The ACER/CEER Market Monitoring Report on Consumer Empowerment and Protection is a joint Report to describe and analyse the implementation of proposals from the European legislative framework and emerging trends on European energy markets. With the finalisation of the Clean Energy Package, new legal requirements add to an already established list of empowerment and protection mechanisms for European electricity and gas consumers. The report will monitor new developments based on such legislation, providing a European perspective on national transpositions. Furthermore, the report aims to provide new detailed insights into European energy markets by exploring additional dimensions such as those identified in the CEER Roadmap to 2025 for Well-Functioning Retail Energy Markets, or by investigating more closely the relationships between consumer empowerment and retail market properties.	Dynamic Regulation	Report	Ongoing	Q4 2019
Customers & Retail Markets	Retail Market Monitoring Report	CEER will continue to develop its activities relating to the monitoring of retail markets on the basis of CEER National Indicators. It will take into account the results of work on indicators and metrics from the Roadmap to 2025 for Well-Functioning Retail Energy Markets as well as monitoring related developments on European level (e.g. as a result of the Clean Energy Package).	Dynamic Regulation	Report	Q1 2019	Q4 2019
Customers & Retail Markets	Recommendations on Dynamic Price Implementation	The European Commission has proposed legislation on dynamic prices in the Clean Energy Package. The paper will investigate potential implementation barriers, outline good practices and make recommendations on regulation. It may also make recommendations on how individual NRAs should monitor the effect on consumer benefits of dynamic prices in the market.	Dynamic Regulation & Digitalisation	Paper	Q1 2019	Q4 2019
Customers & Retail Markets	Bundled Products Conclusions Paper	In the framework of our PEER initiative (which seeks to strengthen cross-sectoral cooperation between different authorities, responsible for protecting consumer rights), CEER launched a public consultation in 2018. In 2019, we will analyse the results, publish conclusions paper and organise a follow-up workshop on bundled products. This builds upon the 2017 workshop on bundled products which gathered regulators from different sectors (e.g. telecoms, energy, consumer protection authorities, ombudsmen) and on our 2018 PEER guide on bundled products.	Dynamic Regulation	Paper	Q1 2019	Q1 2019
Regulatory Benchmark	Report on national models of cooperation among different sectoral regulators in the context of consumer law enforcement	In the framework of our ongoing PEER work and the new requirements of the Consumer Protection Cooperation Regulation (CPC), CEER will in 2019 - Identify existing cross-sectoral cooperation models at national level by collecting some case studies of how such cooperation has worked so far (e.g. memorandum of understanding between sectoral regulators, protocols for dealing with overlapping jurisdictional issues, national networks of economic regulators etc.), - Explore which fields at the margins of energy regulation are likely to require regular or closer interaction with other sector regulators in the future, in particular in the context of the requirements on national consumer protection authorities to cooperate with sectoral regulators under the CPC Regulation (effective from 2020).	Dynamic Regulation	Report	Q1 2019	Q4 2019

Sector	Title	Description	3D Strategy	Deliverable /Activity	Expected start time	Expected end time
Digitalisation Steering Group	Dynamic Regulation to enable Digitalisation in the Energy System	Energy regulators' analysis of digitalisation throughout the energy sector and to determine regulators role to enable digitalisation of the energy system in a way that delivers benefits for energy customers. A CEER Consultation paper is planned for March 2019.	Digitalisation	Report	Ongoing	Q1 2019
Distribution Systems	Benchmarking Report on Power Losses	CEER will update the 2017 CEER Report on Power Losses. The report will benchmark the level of network losses in European countries and identify different national practices regarding the definition and calculation of such losses.	Dynamic Regulation & Decarbonisation	Report	Q4 2018	Q3 2019
Distribution Systems	7th Benchmarking Report on Quality of Electricity and Gas Supply	Periodic full update of the Benchmarking Report on the Quality of Electricity and Gas Supply. The report is a key reference document used to assess the performance of the energy systems.	Dynamic Regulation	Report	Q2 2019	2020
Distribution Systems	Three-paper series on important DS topics	A series of three short papers that takes into account developments in the energy systems and how this affects the distribution system. The developments encompass the likely reinforcement of electricity grids due to electrification, the short and long term usage of natural gas grids and the position of gas during the energy transition, the potential of hydrogen, the interaction with heat and the creation of Local Energy Communities. The developments in those grids require NRAs to rethink what a fair distribution of costs would be, for example on how the costs of stranded assets would be included in tariffs when customer numbers/usage is declining in light of decarbonisation. With this background, the WG will produce three papers: - one paper would focus network tariffs in light of CEER's 19 October 2018 Workshop - the second paper would focus on the stranded assets themselves, taking into account issues not covered in GWG-1 or GWG-2 - the third paper would look into the Whole System Approach, following up on the "Guidelines of Good Practice on Incentives Schemes including Innovation - Conclusions paper" published in February 2018 and relating also to CEER work on flexibility. There may be an associated workshop on one or more of these topics.	Decarbonisation & Dynamic Regulation	Paper	Q2 2019	Q4 2020
Distribution Systems	Report on Procedures of Procurement of Flexibility	This report would provide further insights in a baseline report/guidelines on how flexibility procurement procedures could be arranged to reach an efficient outcome and how regulatory incentives are applied to DSOs to use flexibility. This also would include TSO-DSO interaction on the procurement of flexibility, e.g., on TSOs contracting flexibility of actors connected to the DSO grid. It could also include a case study on storage. The goal of the report would be to give an idea of the state of play prior to the implementation of the CEP and explore if there are already some best practices to highlight.	Digitalisation, Decarbonisation & Dynamic Regulation	Report	Q1 2019	Q4 2019
Distribution Systems	Cyber Security event	With increased digitalisation, cyber security is an increasing concern. In the framework of our PEER initiative (which seeks to strengthen cross-sectoral cooperation between different sectoral authorities, responsible for protecting consumer rights), CEER will bring together relevant experts for an event on digitalisation/cyber security to enhance our shared learning on trends and challenges.	Digitalisation & Dynamic Regulation	Workshop	Q2 2019	Q2 2019

Sector	Title	Description	3D Strategy	Deliverable /Activity	Expected start time	Expected end time
Electricity	Report on Investment Signals with increasing RES penetration	With the increasing penetration of renewable energy with low variable costs, and the subsidies towards the investments costs of new, emerging technologies, the current price observed on organised market places may often not allow producers to recover their investment costs without additional source of revenues. The capability of wholesale energy markets as they are currently designed to provide economic signals capable of ensuring appropriate perspectives of cost recovery to new assets and, hence, of triggering investment decisions, is not guaranteed. The report aims to analyse to what extent this statement is correct and whether there are market design options available to resolve this issue if needed.	Decarbonisation	Report	Q3 2018	Q3 2019
Electricity	Regulatory Frameworks Report of European Energy Networks	This annual report, previously known as the Investment Conditions Report, delivers a general survey about the implemented regulatory regimes for networks, the required efficiency developments and analyses the overall determination of capital costs. This report allows comparisons of investment conditions for networks across European countries. In 2019, it will be the 8th edition of the report.	Dynamic Regulation	Report	Q1 2019	Q4 2019
Gas	Status Review on Regulating Innovation in the Gas Sector	Innovation plays an important role in the improvement of the environmental and economic efficiency of energy systems, in particular in the transition to a decarbonised energy system. Innovation can cover different aspects in terms of system management and technological improvements. The aim of the Status Review is to review different innovation regulatory schemes for gas networks, taking into account the different dimensions of innovation, as well as the scope for innovation and regulatory frameworks that support it in other parts of the European gas industry.	Decarbonisation & Dynamic regulation	Status Review	Q3 2019	2020
Gas	Report on Gas Infrastructures and the Energy transition: An analysis of needs and economic evaluation of investments	Expected developments of the European energy system can give various roles to gas infrastructures. The objective of the report will be to analyse infrastructure needs and their economic value according to several parameters and dimensions including the interaction between transmission and distribution with the development of decentralized production, the potential co-optimisation of electricity and gas systems, the remaining role of fossil gas and its effect on transmission and interconnections.	Decarbonisation	Report	Q1 2019	Q3 2019
CEER Secretariat	CEER Customer Conference	Every year since 2012, CEER organises this event, with the support of the EC, which serves as a forum for consumers, industry and policy makers to discuss EU policy issues related to customers' protection and empowerment. For the purposes of this conference, the list of CRM WG contacts at national and EU level will be updated on an annual basis.	Dynamic Regulation	Conference	Q4 2019	Q4 2019