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Response to ACER and ENTSO-E public consultation:

Role of stakeholders in the implementation of network codes and related guidelines, and in particular the establishment of European Stakeholder Committees for network code implementation

Vattenfall welcomes the opportunity to comment on the ACER and ENTSO-E proposal on the role of stakeholders in the implementation of the Network Codes and guidelines following the third package. The term network codes is used in our response to cover both network codes and guidelines.

General comments

The network codes for the electricity sector should support the realization of Europe's energy policy goals creating a competitive, sustainable Internal Energy Market with a secure energy supply. For this to happen, once adopted, the network codes need to be interpreted, implemented and complied with across Europe.

Bearing in mind the high level of detail in many of the network codes, with impacts for a great number of stakeholders at different levels (European, regional and national level), the importance of an adequate and effective engagement of stakeholders in the development and implementation process cannot be underestimated.

The major challenge will be to establish a process, which, on the one hand, is simple and transparent, and, on the other, is sufficiently inclusive to ensure a representative input from stakeholders. An early involvement of stakeholders, based on dialogue rather than information exchange is vital to support a successful development and approval of methodologies etc to be developed by TSOs and NEMOs on the market codes as well as a smooth implementation of all processes.

Moreover, as the challenges related to implementing network codes may differ across Europe, Vattenfall emphasizes the importance of ensuring local stakeholder representation in the process. Implementing network codes implies further harmonization of regulatory frameworks that historically were developed on the basis of local circumstances and local characteristics of the supply system. To successfully include *broad and deep contributions from stakeholders* the participation of local expertise needs to be facilitated throughout the implementation process.

Proposals for an enhanced stakeholder involvement in the best interest of European end-users of energy

1. Vattenfall supports the ambition of creating simple predefined rules and procedures, to avoid bureaucracy.
2. We believe it is vital to recognize that the major fraction of the implementation work for EU wide, regional and national proposals will take place on the national and regional level. Hence there is a strong need to focus on a proper local representation in the stakeholder dialogue. To get proper representation of the stakeholders it is crucial to use a dialogue between ACER, the members of ENTSO-E and the direct stakeholders as the major building block. Vattenfall proposes that this perspective is strengthened in the proposal. An appropriate composition of key experts should be based on clear representation of regional as well as national perspective.
3. Vattenfall encourages ACER to put pressure on the National regulators and TSOs to develop structures that ensures dialogue rather than information exchange.
4. In order to develop a common view on the expectations it is important that Terms of Reference for each stakeholder committee is developed in dialogue with stakeholders on the relevant level.
5. An important task of the European stakeholder groups should be to develop an effective information exchange and transparent processes for stakeholder involvement as well as prepare progress reports for the commission on the implementation of network codes. A single IT platform to share information accessible to all interested parties is a good proposal in this direction (e.g. publication of Terms of reference and minutes of meetings).
6. To maximize the credibility of the proposed structure, Vattenfall remains sceptic that ENTSO-E should chair two groups. Without any intention to question the importance of ENTSO-Es expertise, Vattenfall is of the opinion that the Chair of the stakeholder groups belongs with the regulator authority. Thus, ACER, or where suitable NRAs should chair all committees while the TSOs should work as an active supportive function. In this context, TSOs should, for example, prepare the proposals for terms and conditions or methodologies, amendments or other input in accordance with the tasks defined in the network codes and related guidelines. Dialogue with the stakeholders should be ensured throughout the process of developing the proposals and not be limited to a consultation.