

Commission's Clean Energy proposals: Regulators call for flexible regulation and effective regulatory oversight

Brussels, 23 January 2017

- **Regulation must be flexible, promoting competition and innovation**
- **Greater role for EU bodies and regionalisation require adequate regulatory oversight**
- **Regulators' series of white papers announced**

ACER¹ and National Regulatory Authorities in CEER² revealed today their initial reactions to the European Commission's Clean Energy for All Europeans (Winter Package³) proposals. Their feedback to the Commission's proposals is contained in an "Overview Paper" which was presented at the [ACER-CEER conference \(23-24 January\) "Towards a future proofed Energy Market Design"](#)⁴.

Regulation must be flexible for evolving market, promoting competition and innovation

Lord Mogg, Chair of the ACER Board of Regulators and CEER President, broadly welcomed the Commission's proposals emphasising that improvements in the Energy Market Design should build upon the exiting (3rd Package) framework:

"Regulators support the Commission's efforts in the Clean Energy proposals to restore price signals to markets through scarcity pricing and integrate RES into the market, and to maximise cross-border capacity. We welcome the move to enable consumers participate more in markets but we caution against net-metering and over-prescriptive rules that could stifle the market and innovation."

Greater role for EU bodies and regionalisation require adequate regulatory oversight

On regional governance and oversight, ACER Director, **Alberto Pototschnig**, said:

"As the energy market faces new challenges, we welcome the Commission's proposal to strengthen the regional dimension in a number of key areas, including network operation and resource adequacy. At the same time, we need to ensure that regional developments, while recognising local specificities, remain consistent with the main objective of creating a well-functioning EU-wide internal energy market. Adequate regulatory oversight, including at regional level, must be assured to promote a well-functioning Internal Energy Market. NRAs and the Agency stand ready to assist this process, through ACER's effective oversight of EU-wide bodies – such as the European Network of Transmission System Operators (ENTSOs), the new EU Distribution System Operators (DSO) body and the Nominated Electricity Market Operators (NEMOs) – and the monitoring of regional implementation."

Series of ACER-CEER regulatory White Papers announced

Regulators announced that they will publish, in the coming months, a series of short, regulatory white papers relevant to the Clean Energy proposals. Regulators are committed to contributing to the development of a proportionate and effective regulatory framework that protects consumers.

Ends (see Notes for Editors)

Notes for Editors:

- (1) The Agency for the Cooperation of Energy Regulators (ACER), a European Union Agency, was created by the Third Energy Package to further progress the completion of the internal energy market both for electricity and natural gas. Visit www.acer.europa.eu.
- (2) The Council of European Energy Regulators (CEER) is the voice of Europe's national energy regulators. Its members and observers, from 35 European countries, are the independent statutory bodies responsible for energy regulation at national level. Visit www.ceer.eu.
- (3) The European Commission announced its [Clean Energy for All European legislative proposals](#) on 30 November 2016. Key elements include a redesign of the electricity market, a move to decarbonisation including measures to integrate renewables, an increase in the energy efficiency target to 30%, new governance arrangements and efforts to ensure that consumers are a key pillar of the market design reforms.
- (4) The [ACER-CEER conference, "Towards a future proofed Energy Market Design"](#), opened today by European Commission Vice President, Mr Šefčovič, and tomorrow by Commissioner Miguel Arias Cañete, assembles representatives from the European Institutions, regulators and the energy sector for a first lively debate on key issues and regulatory challenges from the Commission's proposal. The Energy Market Design, consumer issues, and integrating the gas and electricity markets for the clean energy transition are key sessions of the conference. Distinguished speakers include European Commission Vice President Šefčovič, Climate Action and Energy Commissioner Arias Cañete, Mr Jerzy Buzek, European Parliament's ITRE Chair and Director General for Energy, Dominique Ristori. This ACER-CEER event is [live web-streamed](#).
- (5) Regulators have drawn upon a set of core principles against which they have assessed the European Commission's Clean Energy for All European (Winter Package) proposals. During the event, ACER and NRAs within CEER outlined their feedback to the Commission's proposals (as set out in the European Energy Regulators' Overview Paper- Initial reactions to the European Commission's proposals on clean energy):
 - Flexible regulations for a fast evolving market
 - Balancing innovation and regulation
 - Making markets work
 - Securing our supplies
 - Smarter system operation
 - Regional markets
 - Independence of ACER
 - Next steps.



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