

ACER

 Agency for the Cooperation
of Energy Regulators

2nd ACER Public Debrief

- *Lord Mogg, ACER BoR Chair*
- *Alberto Pototschnig, ACER Director*

6 November, 13.30-14.00

ACER Public debriefing

Promote transparency and awareness of the Agency's work and operation

What is to be covered and how often? Presentation of recent ACER activities - BoR outcomes - Quarterly basis

First BoR debrief July 17, ACER and BoR activities since then to be covered by the 2nd debrief today

Major developments since July debrief

- **ACER Report on Capacity Remuneration Mechanisms and the internal market for electricity, 30/07/2013**
- **ACER Opinion no 17/2013 on the ENTSO-E Annual report 2012, following favorable opinion of BoR, 1/08/2013**
- **ACER “issue paper” on the need for coordinated decisions at EU level for the implementation of the Congestion Management Procedures Guidelines, 9/08/2013**
- **ACER Opinion no 18/2013, on the draft Community wide ten year network development plan 2013-2022 submitted by ENTSOG, following favorable opinion of BoR, 10/09/2013**
- **ACER Annual Activity Report 2012, following approval of the BoR of the section on regulatory activities, 16/09/2013**

Major developments since July debrief

- **ACER Recommendation No 07/2013, regarding the cross border cost allocation of electricity and gas projects of common interest, following favorable opinion of BoR, of 25/09/2013**
- **ACER Recommendation No 08/2013 of on the network code on Load frequency controls and reserves submitted by ENTSO-E, following favorable opinion of BoR, 26/09/2013**
- **ACER 2014 WP (in line with estimate of expenditure of €15.5 M.), following approval of the BoR, September 2013**
- **ACER Report to the Commission on implementation of ITC in 2012, October 2013**
- **3rd edition, ACER Guidance on the application of Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency, 29/10/2013**

Our BoR agenda yesterday - I

BoR orientation discussion: Framework Guidelines on rules regarding harmonised transmission tariff structures for gas

BoR orientation discussion: ACER guidance to ENTSOG on the development of amendment proposals to the Network Code on Capacity Allocation Mechanisms on incremental and new capacity

➤ BoR formal opinion: ACER Opinion on the network code on interoperability and data exchange rules, to be soon adopted

➤ BoR formal opinion: ACER Opinion on ENTSO-E Summer Outlook report 2012 and Winter Review 2012/2013, to be soon adopted

➤ BoR formal opinion: ACER Qualified Recommendation on the network codes: Operational Security and Operational Planning and Scheduling, to be soon adopted

➤ BoR Formal opinion: ACER Opinion on ENTSOG's 2014 annual work Programme, to be soon adopted

Our BoR agenda yesterday -II

Presentation of the the PC on EU register of the market participants

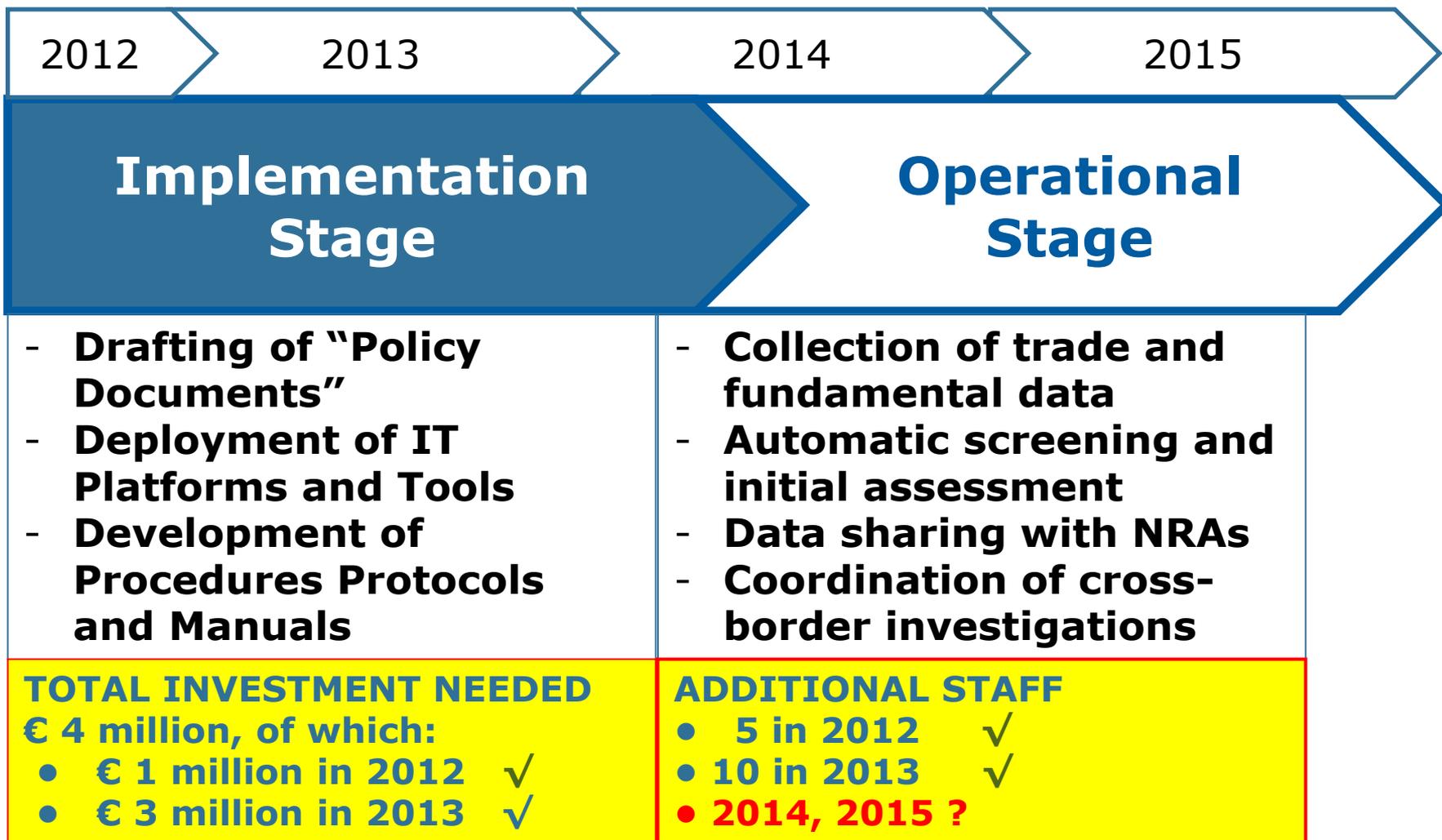
Presentation of the First Annual report on REMIT

Presentation of the REMIT implementation plan

Early implementation through Regional Initiatives

Quarterly GRI report soon to be published

REMIT Implementation and Operation



ACER draft Qualified Recommendation on OS/OPS NCs

- ACER Opinions on these NCs - May and June. ENTSO-E resubmitted on 24 September. Revisions partially address the concerns raised in ACER Opinions. BoR favourable opinion to the ACER draft Recommendation (to be soon adopted)
- Remaining issues on Operational Security NC:
 - » NRA scrutiny needed of the scope of data exchange
 - » NRA scrutiny needed for modifications of demand facilities (now included for generators)
 - » Transparency needed for methodology to establish contingency lists
 - » Performance indicators need to show data by MS not just aggregate data
- Remaining issues on Operational Planning and Scheduling NC:
 - » Assess application to all TSOs, avoiding notion of “Outage Coordinating TSOs”
 - » Notify any tasks delegated to regional coordination bodies to NRAs
 - » Transparent assessment of inputs to operational security analyses not just outcomes
 - » Performance indicators need to show data by MS not just aggregate data

ACER draft Opinion on NC on Interoperability and data exchange rules to be adopted

BoR favorable opinion. ACER Opinion to be soon adopted. The Network Code shows a high degree of compliance with the Agency's Framework Guidelines (July 2012)

The stakeholder engagement process carried out by ENTSOG has been commendable with regard to transparency and comprehensiveness

Some provisions of the code go beyond the Framework Guidelines and/or could be considered not to be fully in line with the Guidelines. Those deviations have been justified to the Agency and have been supported by stakeholders

Some adaptations and clarifications on the content as well as further structural and textual amendments in the Network Code are recommended

ACER soon to deliver harmonized gas transmission tariff Framework Guidelines

- Following EC's invitations (June 2012 and March 2013) ACER will soon deliver comprehensive FGs on harmonized gas transmission tariff structures
- In one of the most complex areas, ACER thus contributes in realizing the internal energy market
- At the entry into force of the rules (no later than 1 October 2017), network users will experience greater transparency in tariff setting as well as more harmonization in cross-border trade
- The rules also provide TSOs with a clear hedge regarding revenue recovery when auctioning transmission services
- These rules will foster effective competition on non-discriminatory terms, thus stimulating an efficient functioning of the market to the benefit of gas consumers
- After acceptance by the EC, ENTSOG will have to build a robust network code on the fundamentals laid down by these FGs

Draft FG Gas Tariff Structure

**Transparency:
methodology,
costs,
congestion,
tariff
evolution**

Chapter 1-2
General provisions,
publication requirements

**Avoid
risk of
discrimination
between
cross-border
and domestic**

Chapter 3
Cost allocation
Determination of the
reference price

**Enable CAM:
reserve price,
revenue
recovery and
payable price**

Chapter 4-8
Revenue recovery, reserve
price, virtual
interconnection points,
bundled capacity products,
payable price

non-discrimination, effective competition and functioning of the market
cost-reflectivity, avoid cross-subsidies, promote efficient new investment, greater transparency

“Energy Regulation: A Bridge to 2025”

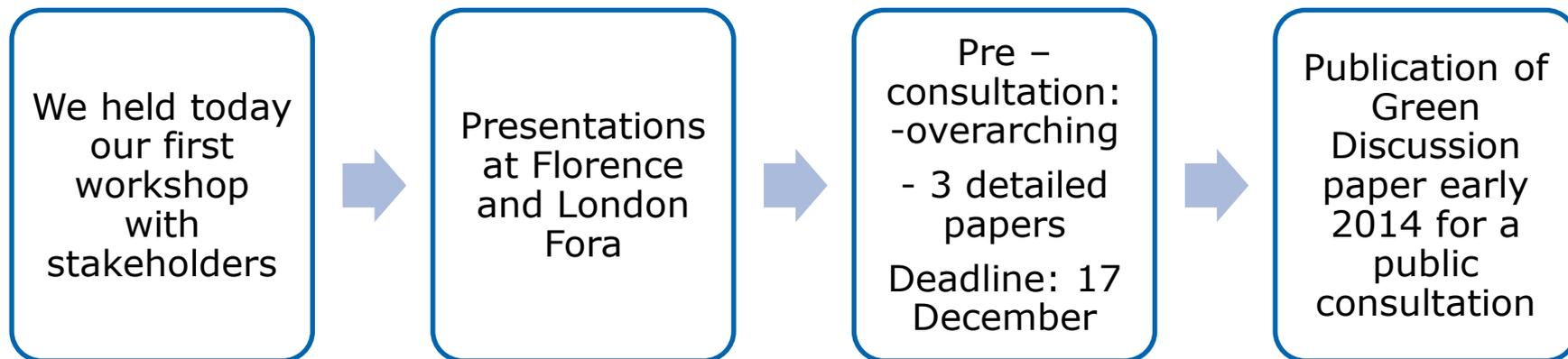
Continued development and implementation of the Third Package and its associated Framework Guidelines and Network Codes, TEN-E and REMIT remains our fundamental ambition and commitment

Approaching 2014 deadline - strategic foresight and vision to guide our post-2014 work including any enhancement of the Electricity and Gas Target Models

**A Bridge to 2025:
Overarching paper and 3 papers on consumers, electricity and gas**



“Energy Regulation: A bridge to 2025” next steps Your feedback counts!



ACER BoR July meeting

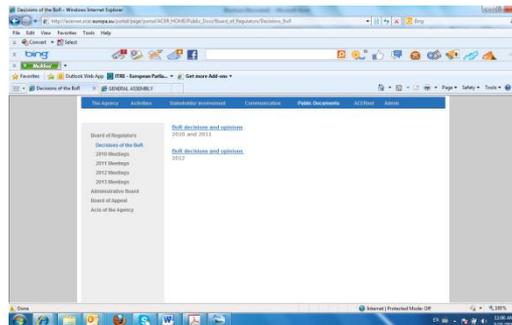


BoR meetings and public debriefs calendar

BoR 33	2013: 11 Dec	09.00-16.00	
BoR 34	2014: 23-Jan	09.00-16.00	
BoR 35	2014:19-Feb	09.00-16.00	Public debrief
BoR 36	2014:19-Mar	09.00-16.00	
BoR 37	2014:8-May	08.00-13.00	
BoR 38	2014:11-Jun	09.00-16.00	
BoR 39	2014:17-Jul	09.00-16.00	Public debrief
BoR 40	2014:17-Sep	09.00-16.00	
BoR 41	2014:14-Oct	14.00-19.00	
BoR 42	2014:18-Nov	14.00-19.00	Public debrief
BoR 43	2014:17-Dec	09.00-16.00	

Agendas and minutes of the meetings of the BoR, as well as its opinions and decisions are published at:

- http://acernet.acer.europa.eu/portal/page/portal/ACER_HOME/Public_Docs/Board_of_Regulators/2013%20Meetings/27th%20BoR



Calendar for ACER events

Save the day!

7 November 2013 ACER public workshop
on REMIT implementation, Ljubljana

28 November 2013: ACER-CEER Workshop
Presentation of the 2nd MMR, Brussels

19 February 2014: 3rd ACER BoR public
debrief

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Thank you for your attention!

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