

ACER

Agency for the Cooperation
of Energy Regulators

Working towards a single energy market
to the benefit of all EU consumers



The Agency's Work Programme Outline for 2020

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Presentation for stakeholders, 19 October 2018

- **ACER's Work Programme 2020**
 - **WP consultation process**
 - **Basis: ACER's mandate
(current and potential – Clean Energy Package)**
 - **WP structure and background**
 - **WP activities**
 - **Next steps**

Why so early?

The Agency has the obligation to submit its draft Programming Document 2020-2022 (which includes the Work Programme for 2020) by 31 January 2019.

How much room for manoeuvre do we have?

Most tasks/deliverables are legally mandated.

For 2020 uncertainty linked to new tasks under Clean Energy Package acts and date of their entry into force.

Purpose?

The Agency is still very interested in knowing what its stakeholders believe its priorities should be. To the extent possible such opinions will be taken on board in the work programme.

This presentation is based on the **2020 Draft Outline of tasks and deliverables** that serves as a basis for ACER's Programming Document 2020-2022.

The Draft Outline is **available on the Agency's website**.

Stakeholders are invited to provide their input in writing by **16 November 2018**.

The Agency will endeavour to **take on board any feedback** to the extent possible, as long as it is in line with its mandate and the available resources.

Difficulties in planning for 2020:

A rapidly changing energy market

Planning in 2018 for 2020 (developments in 2019?)

Available budget?

Due to the timing of the draft, the available budget is an 'unknown' (budget for 2019 not yet adopted either)

Which new powers to ACER?

Legal acts of the "Clean Energy for all Europeans" Package, with new powers and tasks for ACER (as well as additional human resources), are still in the adoption procedure

Large part of Draft Outline Work Programme 2020 based on current legal mandate: completion of *the internal energy market, infrastructure (developing interconnections) and REMIT*

Potential additions to ACER's legal mandate in 2020 (and beyond) by the "Clean Energy" Package:

Tentatively included in the Work Programme, on the basis of the Commission's proposal. However dates of entry into force and actual new powers and responsibilities to be given to ACER still uncertain at this stage

“The purpose of the Agency shall be to **assist** the [NRAs] in exercising, at [Union] level, the regulatory tasks performed in the Member States and, where necessary, to **coordinate** their action”.

Article 1(2), Regulation (EC) No 713/2009

ACER plays a CENTRAL ROLE in the new institutional framework introduced by the Third Energy Package with a EXPANDING MISSION

MISSION: ACER fosters a fully integrated and well-functioning Internal Energy Market, where electricity and gas are traded and supplied according to the highest integrity and transparency standards, and EU consumers benefit from a wider choice, fair prices and greater protection. For this purpose, we work with European Institutions, NRAs and stakeholders

Third Energy Package

Directives 2009/72/EC, 2009/73/EC

Regulations (EC) No 713/2009, 714/2009, 715/2009



EXPANDING MISSION

Regulation No 1227/2011 (REMIT)

on Wholesale Energy Market Integrity and Transparency

Regulation No 347/2013 (TEN-E Regulation)

on Guidelines for trans-European energy infrastructure

Regulation (EU) 2017/1938 (SoS Regulation)

concerning measures to safeguard the security of gas supply

**Legal requirements stemming from adopted Network
Codes and Guidelines**

Recap of types of acts which ACER can adopt

**Opinions and
Recommendations**

TSOs

NRAs

**European
Parliament**

EU Council

**European
Commission**

**Individual decisions in specific cases
(residual power)**

The Energy Union Strategy and ACER

“EU-wide regulation of the single market should be strengthened, through a ***significant reinforcement of the powers and independence of ACER*** to carry out regulatory functions at the European level in order to enable it to effectively oversee the development of the internal energy market and the related market rules as well as to deal with all cross-border issues necessary to create a seamless internal market.”

Communication from the Commission, A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy, COM(2015) 80 final, 25.2.2015, page 9

**ACER has welcomed the EC proposals in the
“Clean Energy for all Europeans” Package**

Programming Document (PD)

The Annual Work Programme 2020 is a constituent part of the PD 2020 - 2022, in line with the mandatory structure foreseen for EU Agencies

Timing

The 'final draft' of the PD is to be submitted to the Commission by 31.1.2019
Final adoption by the Administrative Board by 30.9.2019 (following Comm. Opinion)

Multiannual outlook

ACER's strategic areas 2020 – 2022:
Updated, to take into consideration potential new tasks given to ACER within the Energy Union

Annual Work Programme 2020

Based on the Agency's legal mandate (likely potential tasks proposed by Commission also considered). Tasks and deliverables divided into 6 "Activities"

Theme 1: (Post-) IEM Completion

- Complete transposition of Third Package
- Implementation and Monitoring of Network Codes

Theme 2: The Infrastructure Challenge

- Electricity and Gas TYNDPs
- PCI progress and implementation
- Cross-Border Cost Allocation

Theme 3: Wholesale Energy Market Integrity and Transparency

- REMIT 'live'
- Wholesale Market Monitoring

Theme 4: Future Challenges, including RES Integration Challenge

- "Bridge to 2025"
implementation
(resources permitting)

Activity 1

Market Integrity and Transparency

Activity 2

Market Surveillance and Conduct

Activity 3

Electricity and Gas Market Monitoring

Activity 4

Internal Electricity Market

Activity 5

Internal Gas Market

Activity 6

Infrastructure and Security of Supply

To optimize the use of its (limited) human resources, the Agency classifies its tasks/deliverables according to 3 priority levels:

- 1) Critical:** tasks that must be performed under any circumstance, as failure to do so would seriously undermine the functioning of the Internal Energy Market and the achievement of the Energy Union objectives
- 2) Important:** tasks that could be postponed, reduced in scope or de-scoped with only limited repercussion on the Internal Energy Market
- 3) Relevant:** tasks that the Agency could usefully perform, provided adequate resources were made available

NOTE: The Agency will nevertheless strive to perform, to the extent possible, all the activities legally mandated to it

Integrity

Explicit **prohibitions** of abusive practices (market manipulation, attempted market manipulation and insider trading) in wholesale energy markets

Transparency

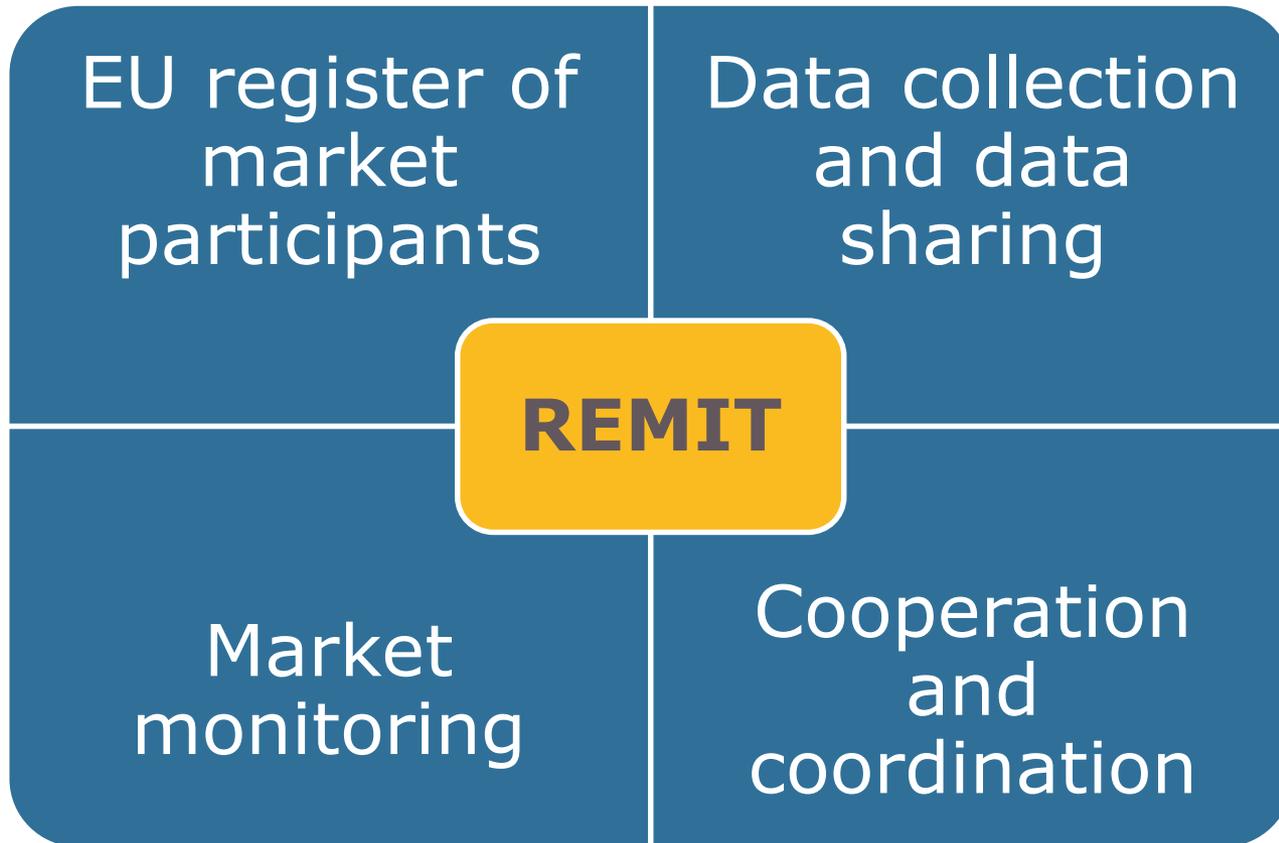
Obligations for market participants to disclose inside information

Monitoring

A new, sector-specific, comprehensive and effective **monitoring/surveillance framework** with ACER as a **central reporting point** for EU wholesale energy markets

Cooperation

Close cooperation and coordination between ACER (EU-wide monitoring) and NRAs (national monitoring, investigation and enforcement)



- **More than 13,360 Market Participants** registered with National Regulatory Authorities report **more than 2m trade records per day** through **119 approved Registered Reporting Mechanisms** to the Agency
- REMIT data today:
 - » reaches a high level of data quality
 - » contains plenty of useful information
 - » is useful to analyse markets and conduct surveillance
- ACER's goal is to further improve and maintain data quality

Tasks in AWP 2020

- Policy activity to support the Agency's REMIT mandate
Priority level – 1
- Improving transparency of wholesale energy markets
Priority level – 1
- RRM registration and supervision
Priority level – 2
- REMIT Information Management and Data Analytics
This includes data collection, data analysis and data sharing. Key objective is to improve data quality, integration and usability.
Priority level – 1
- Operation and further development and enhancements of the Agency's REMIT Information Systems
Priority level – 1 for operations; priority level – 2 for enhancements

Tasks in AWP 2020 (cont.)

- Ensuring operational reliability and data protection
Priority level – 1
- Cooperation with NRAs and their coordination
Priority level – 1
- Cooperation with ESMA, competent national financial market authorities and other relevant authorities, including 3rd countries
Priority level – 2
- Annual report on the Agency activities under REMIT
Priority level – 2
- Facilitation of stakeholder involvement, as required, pursuant to REMIT and the REMIT Implementing Regulation (e.g. roundtable meetings; ad-hoc expert groups; EMIT Forum)
Priority level – 2

Market abuse under REMIT

Insider Trading

Using inside info to trade or trying to trade

Disclosing inside info to 3rd parties

Recommending 3rd parties to trade based on this inside info

Market Manipulation

False/Misleading Signals

Price Positioning

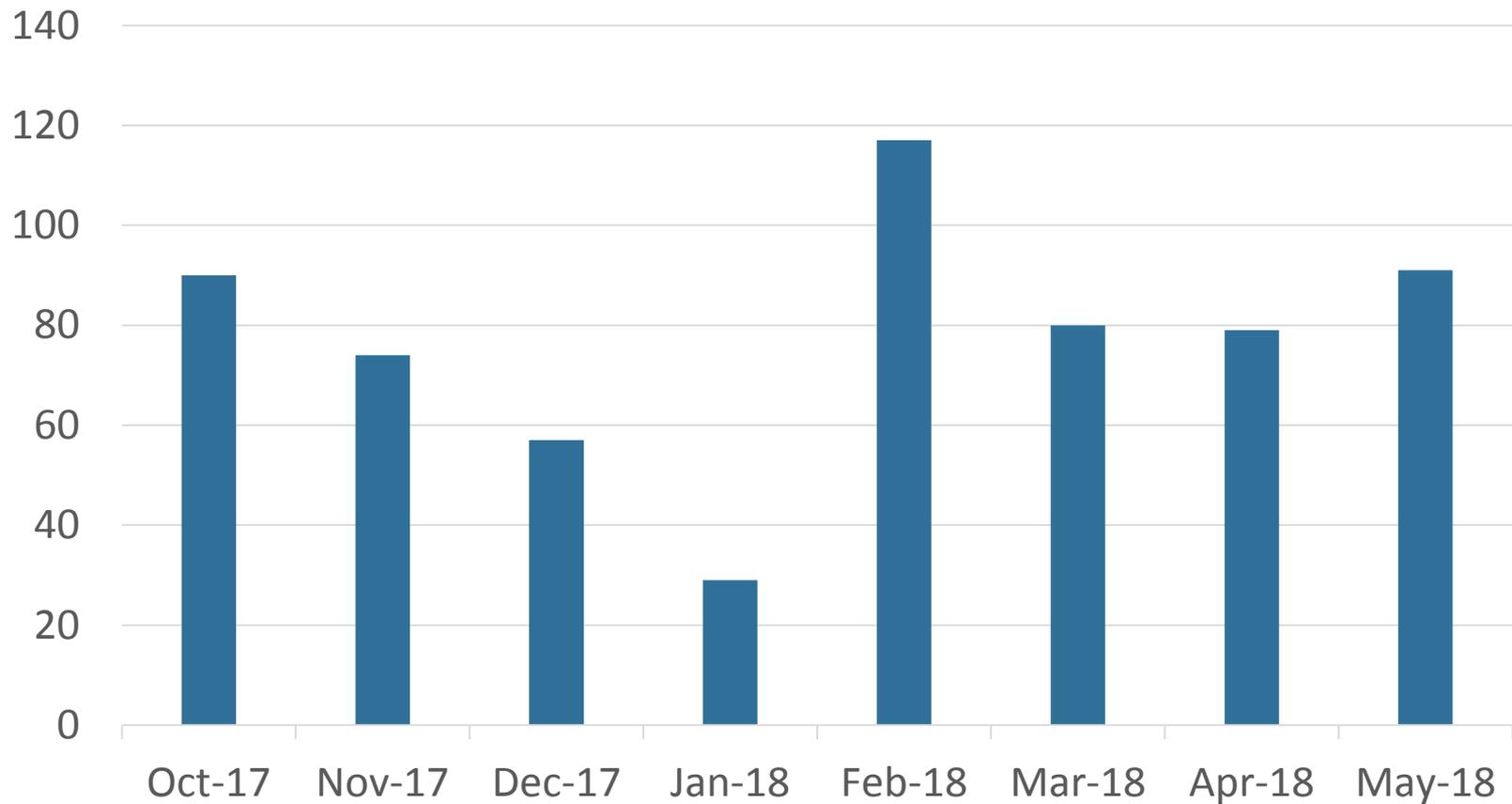
Transactions involving Fictitious Devices/Deception

Attempted Market Manipulation

Dissemination of False or Misleading Information

ACER surveillance staff is screening for suspicious trading activity on a daily basis

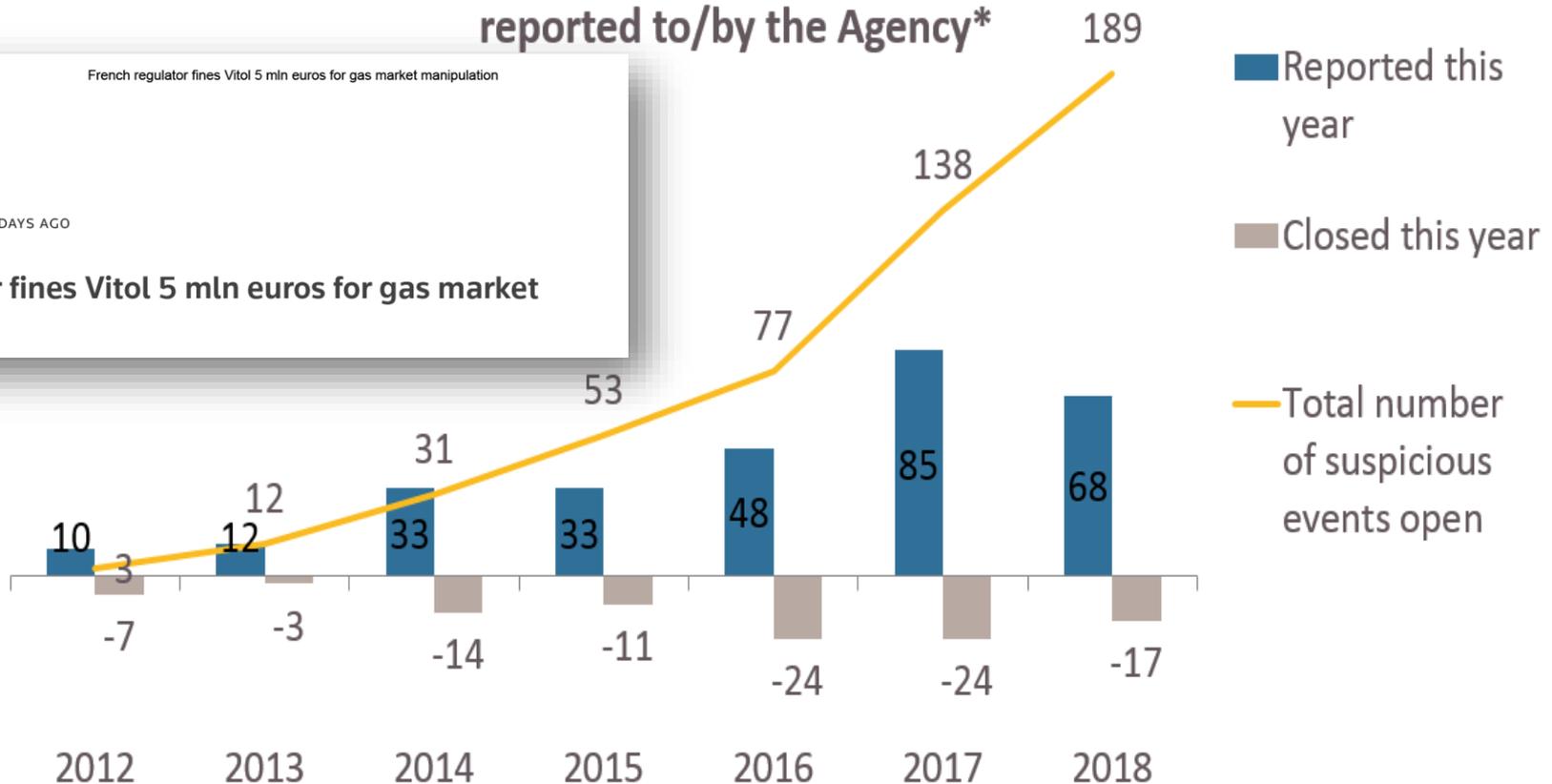
Absolute number of alerts shared with NRAs per trading month



Activity 2: Market Surveillance and Conduct

The number of suspicious market abuse events reported to NRAs and ACER has grown significantly with 25% of all events involving multiple NRAs which requires coordination

Number of potential REMIT breach cases reported to/by the Agency*



ENERGY
OCTOBER 9, 2018 / 11:30 AM / 7 DAYS AGO

French regulator fines Vitol 5 mln euros for gas market manipulation

Tasks in AWP 2020

- Market monitoring of trading activity in wholesale energy markets to detect and prevent trading based on inside information and market manipulation according to Article 7 of REMIT
Priority level – 1
- Coordination with NRAs on market conduct activities
Priority level – 1
- Cooperation on conduct-related activities with ESMA, competent national financial market authorities and other authorities and with supervisory authorities, international organisations and the administrations of third countries
Priority level – 2

Tasks in AWP 2020

- Development of applied surveillance and conduct business intelligence tools
Priority level – 2
- Annual Report reporting
Priority level – 2

Household prices decreased for a second year in a row

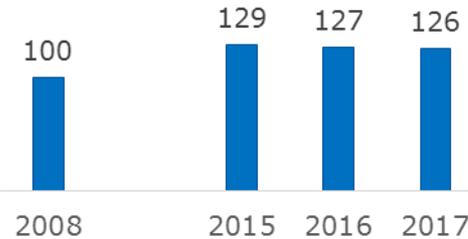
Retail

Prices for households are decreasing but are still higher than in 2008

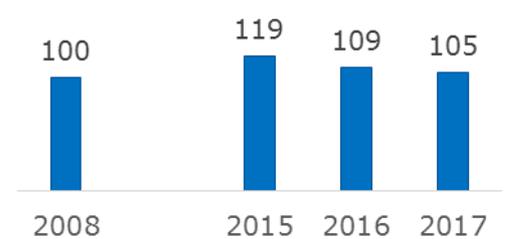
Aggregated EU wholesale prices decreased significantly

The non-contestable part in the total price continues to go up, especially the renewables support component

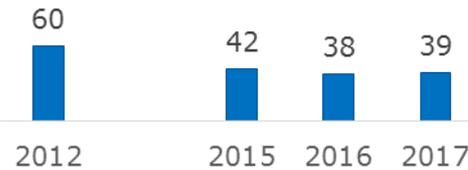
EU household final electricity prices, index



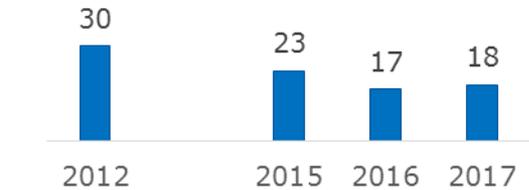
EU household final gas prices, index



Electricity wholesale price, euros/MWh



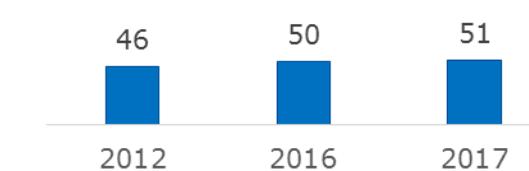
Gas wholesale price, euros/MWh



Share of the non-contestable part in final electricity prices, %



Share of the non-contestable part in final gas prices, %



of which RES

6

13

14

Monitoring of IEM Developments – 2020 WP

- 9th Annual Market Monitoring Report
 - » Wholesale market integration (for Gas also Target Model Metrics)
 - » Retail prices in electricity and natural gas
 - » Barriers to entry
 - » Access to networks (including RES)
 - » Consumer welfare benefits or losses as a result of market integration (or lack of it)
 - » Compliance with consumer rights
 - » Market effects of Network Codes

Wholesale volumes – Priority 1

Retail volume - Priority 2

Consumer Protection volume – Priority 3



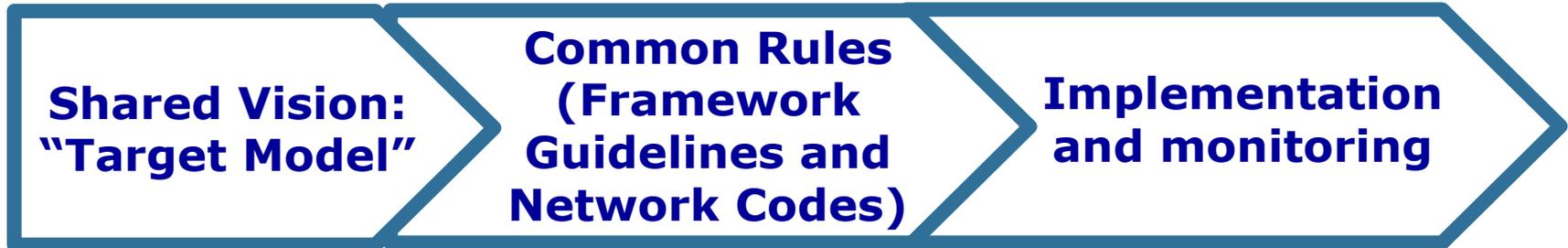
Monitoring of IEM Developments – 2020 WP

Possible extension of reporting based on Clean Energy Package:

Monitoring and reporting on the wholesale and retail market, particular in retail prices of electricity consumer rights - access to the networks including access of electricity produced from renewable energy sources, potential barriers to cross-border trade, state interventions preventing prices from reflecting actual scarcity, the performance of the Member States in the area of electricity security of supply based on the results of the European resource adequacy assessment

Priority level – 1





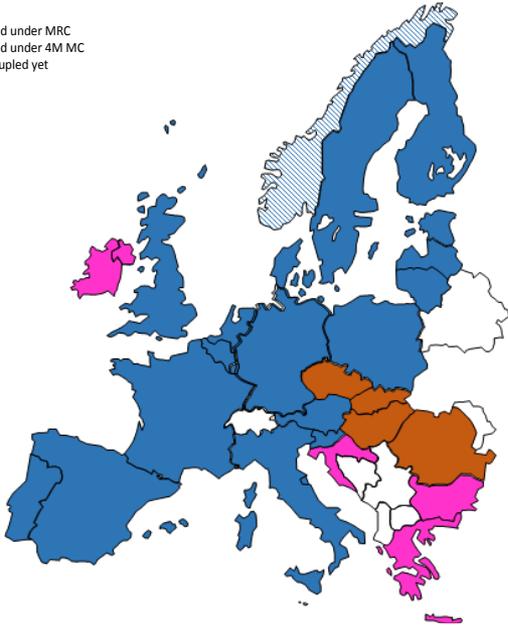
**A Parallel Process to deliver
tangible benefits to EU energy
consumers as soon as possible**

Formal Framework Guidelines / Network Codes Process

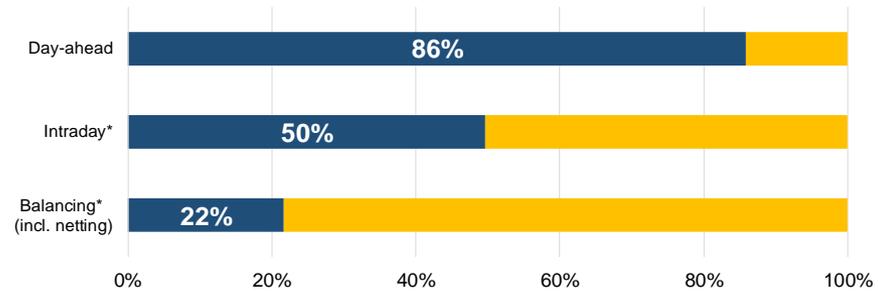
A more efficient use of existing commercial cross-border capacities

Implementation status of single day-ahead market coupling

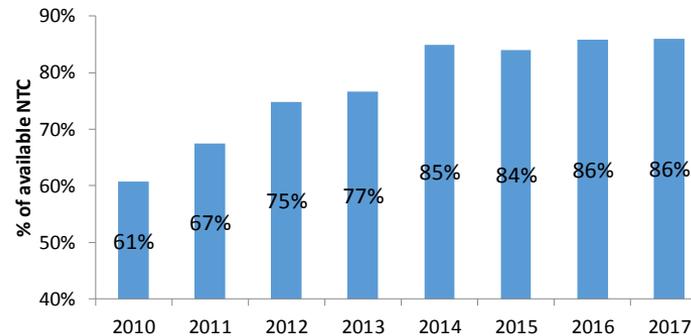
Country Status
■ Coupled under MRC
■ Coupled under 4M MC
■ Not coupled yet



Level of efficiency in the use of interconnectors in Europe in the different timeframes – 2017 (% use of available commercial capacity in the 'right economic direction')



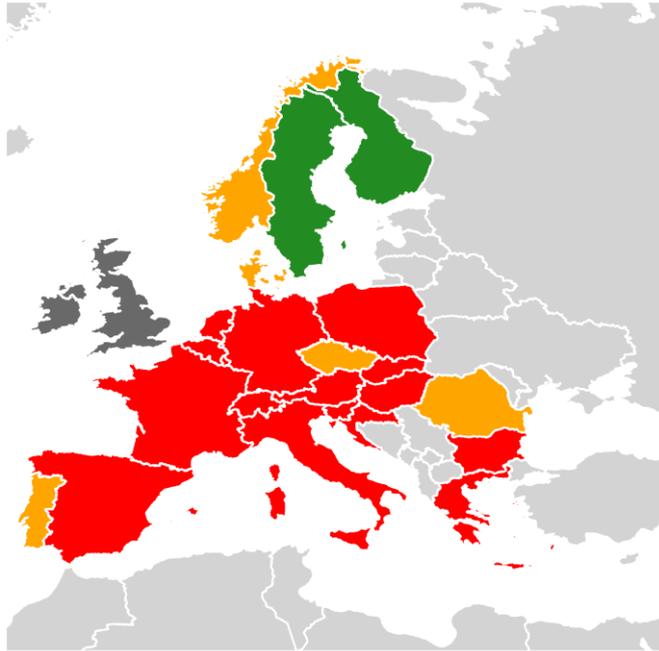
Progress made on the efficient use of electricity interconnectors in the day-ahead market timeframe over the last 8 years



Note: *Intraday and Balancing values are based on a selection of EU borders

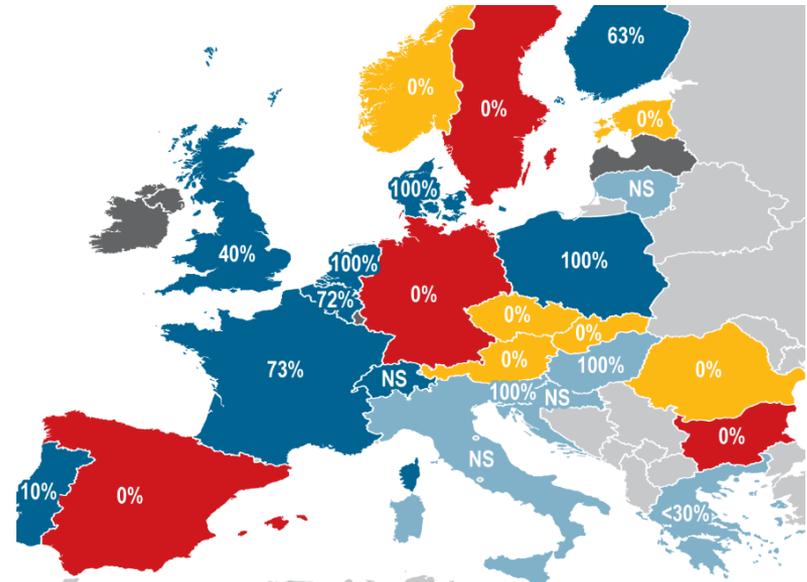
Discrimination of cross-border exchanges still remains the main challenge

National performance in terms of the share of benchmark capacity made available for trading on AC borders in Europe – 2015-2017



■ 1-Poor
 ■ 2-To be monitored
 ■ 3-Adequate
 ■ No AC border

Treatment of interconnectors in national resource adequacy assessments in Europe – 2016



■ Not considered and a CM was implemented or is envisaged
 ■ Deterministic
■ Not considered and a CM was not implemented, nor is envisaged
 ■ Probabilistic

Note: The percentages represent the ratios between the net contribution of interconnectors at times of stress, as considered in national assessments, and the average commercial import capacities. These percentages do not represent the actual contribution (in MW) which can be negligible on some borders (e.g. on some of the Polish borders)

Tasks in WP 2020

- Monitoring of the implementation of the adopted Network Codes and Guidelines in accordance with Article 9 of Regulation EC No. 714/2009 *Priority level - 1*

This includes:

- Monitoring the implementation of obligations (activities, deadlines, development of terms and conditions and methodologies)
- Monitoring the effect of implementation
- Reporting to the Commission
- Continuous work on data quality, testing of indicators designed to assess the implementation of Network Codes and Guidelines and their effectiveness in achieving a well-functioning internal market

Tasks in WP 2020 (cont.)

- Recommendations to assist NRAs and market players in sharing good practices with regard to the implementation of Network Codes and Guidelines
Priority level – 1
- Report on the monitoring of progress in establishing and performing single day-ahead and intraday coupling
Priority level -1
- Investigation of the reasons when TSOs, NEMOs or other entities fail to submit terms and conditions or methodologies for the approval by NRAs pursuant to the adopted Network Codes and Guidelines and reporting to the Commission
Priority level – 1

Tasks in WP 2020 (cont.)

- Assistance to NRAs for the approval of the terms and conditions or methodologies developed by TSOs, NEMOs or third entities pursuant to the adopted Network Codes and Guidelines
Priority level - 1
- Regulatory oversight of the implementation projects established pursuant to the Network Codes and Guidelines, or, where relevant, in the framework of the early implementation process
Priority level - 1
- Facilitation of the stakeholder involvement, as required, pursuant to the adopted Network Codes and Guidelines
Priority level - 1

Tasks in WP 2020 (cont.)

- Review of the requests for amendments of the adopted Network Codes and Guidelines from interested persons and, where appropriate, based on these requests or on the Agency's own initiative, preparation of the amendment proposals for the European Commission
Priority level – 1 or 2, depending on the request
- Performance of the specific obligations of the Agency pursuant the adopted Network Codes and Guidelines
Priority level – 1

Tasks in WP 2020 (cont.)

Tasks/deliverables subject to request or specific conditions:

- Adoption of the opinions and recommendations at the request of one or more NRAs, or the European Commission, pursuant to Regulation (EC) 713/2009, as well as any opinions and recommendations pursuant to the adopted Network Codes and Guidelines *Priority level – 1-2 peer reviews, priority 2 others*
- Decision on terms and conditions or methodologies to be approved pursuant to the adopted electricity Network Codes and Guidelines in case NRAs are unable to reach an agreement *Priority level – 1*
- Opinions on the application of Union energy legislation pursuant to Article 7(6) of Regulation (EC) No 713/2009 *Priority level – 2*
- Opinions and recommendations in the areas of the Agency's competence, on its own initiative or upon request by the European Parliament, the Council and the European Commission *Priority level – 2*

Tasks in WP 2020 (cont.)

Possible tasks/deliverables from the Clean Energy Package (undergoing adoption):

Tariff methodologies

- Recommendation to regulatory authorities on the progressive convergence of transmission and distribution tariff methodologies.
Priority level – 1
- Monitoring the implementation of its recommendation and providing a report to the Commission by 31st January each year
Priority level – 1

Use of congestion income

- Use of revenues shall be subject to a methodology proposed by the Agency and approved by the Commission. The Agency's proposal shall be submitted to the Commission and be approved within six months
Priority level – 1

Tasks in WP 2020 (cont.)

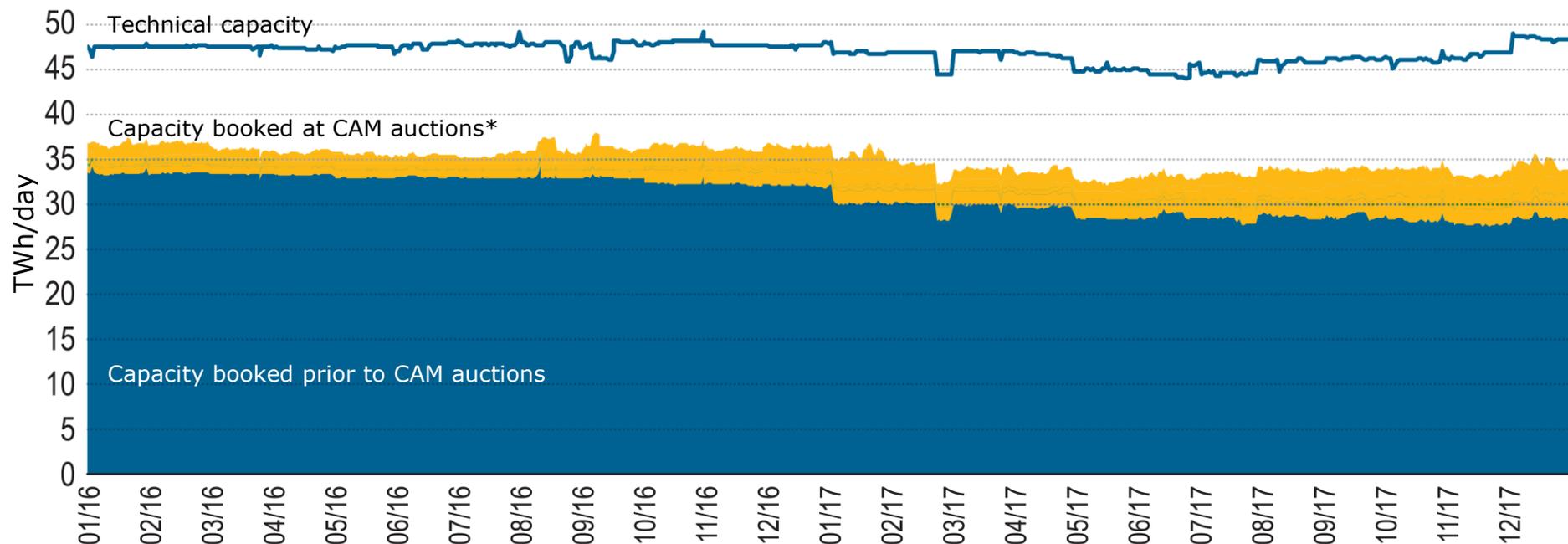
Possible tasks/deliverables from the Clean Energy Package (undergoing adoption):

Decision on terms and methodologies to be developed under the Network Code process

- Amending, if necessary, and approving EU-wide terms and methodologies, change them where necessary to ensure they are in line with the purpose of the network code/guideline and contribute to market integration, non-discrimination and the efficient functioning of the market *Priority level – 1*
- When relevant, amending, if necessary, and approving regional-wide terms and methodologies, change them where necessary to ensure they are in line with the purpose of the network code or guideline and contribute to market integration, non-discrimination and the efficient functioning of the market *Priority level – 1*
- In the context of bidding zone review, the Agency shall approve and may request amendments to the methodology and assumptions that will be used in the bidding zone review process as well as the alternative bidding zone configurations considered *Priority level – 1*

Member States with functioning wholesale gas markets benefit from the implementation of the Network Codes

Illustration: Overview of intra-EU IP bookings – 2016 – 2017 - TWh/day



- Legacy contracts are still dominant, but shippers are taking advantage of short-term market opportunities, facilitated by CAM NC and CMP GL. Total booking levels are diminishing, whereas technical capacities rise, signalling overcapacity
- **CAM NC, BAL NC, CMP GLs support the integration of gas markets, shown by increasing sensitivity of IPs' utilisation to price signals (and other market fundamentals)**
- Important differences persist between Member States' gas wholesale markets: those lacking basic market building blocks are yet to reap meaningful benefits from NCs implementation

*Note: Aggregated yearly, quarterly, monthly, daily and within-day capacity bookings

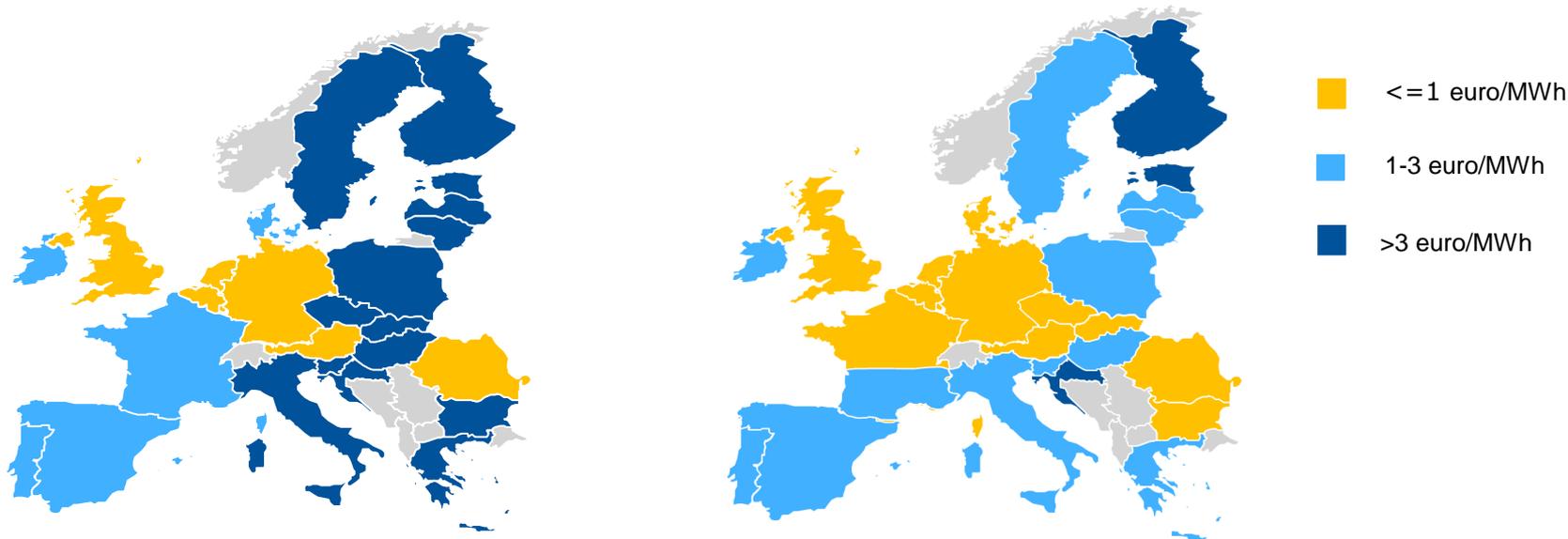
Source: ACER 2017 Market Monitoring Report, Gas Wholesale Volume based on ENTSOG and booking platforms

High levels of price convergence: current design is working well and should be kept

Illustration: Estimated gas sourcing cost* compared to the TTF hub

2012: TTF = 25.7 € /MWh

2017: TTF = 17.0 € /MWh



Focus of a future Gas Package:

- Ways to foster renewable gasses, e.g. PCI selection more focussed on environmental benefits than on security of supply
- Specific measures needed further to enhance IGM, e.g. NCs amendments process to be a regular, technical exercise
- Sector coupling: more focus on integrated infrastructure investment decisions and gas-electricity market integration to lower costs of energy transition
- Governance: ACER needs powers to be effective in ensuring compliance with NCs/GLs and in settling cross-border issues
- Aligning with electricity for oversight of the ENTSOs and regional entities, retail and consumer protection

*Note: Suppliers' sourcing cost assessment based on a weighted basket of border import and hub product prices

Source: ACER 2017 Market Monitoring Report, Gas Wholesale Volume based on NRA input, Eurostat Comext, BAFA, Platts

Tasks in WP 2020

- Preparation of the Tariff Implementation Monitoring Report
Priority level – 1
- Recommendations to assist NRAs and market players in sharing good practices with regard to the implementation of the Network Codes and Guidelines, where necessary
Priority level – 2
- Agency decisions under Article 8(1)
Priority level -1
- Continuous work on the Gas Package together with the national regulatory authorities
Priority level – 2
- Follow-up reporting and other obligations as set out in the Network Codes on Balancing, Capacity Allocation Mechanisms and Tariff structures *Priority 1 for tariffs, 2 for others*

Tasks in WP 2020 (cont.)

- Continuous work on data quality, testing of indicators designed to assess Network Codes and the effectiveness of codes to achieve a functioning internal market
Priority level – 1 or 2 depending on the work stream, data quality work - Priority 1
- Review of the requests for amendments to the adopted Network Codes from interested persons and, where appropriate, based on these requests or on the Agency's own initiative, preparation of the amendment proposals for the European Commission
Priority level – 1 or 2, depending on the request

Tasks in WP 2020 (cont.)

- Shortened implementation Monitoring Report updates for the Network Code on Capacity Allocation Mechanisms and Balancing, with a focus on improvements
Priority level – 3
- Shortened report on monitoring of Congestion at interconnection points due on 1 June 2020
Priority level – 3
- Facilitation of the stakeholder involvement, as required, pursuant to the adopted Network Codes and Guidelines
Priority level – 3

Tasks in WP 2020 (cont.)

Gas Regional Initiatives

- Involvement, focusing on market integration projects and support for delayed implementations to improve compliance with the network codes, address regional market issues and NRA's capabilities to integrate their national markets into the internal market

Priority level – 2

Tasks in WP 2020 (cont.)

Tasks/deliverables subject to request or specific conditions:

- Adoption of the opinions and recommendations at the request of one or more NRAs, or the European Commission, pursuant to Regulation (EC) 713/2009, as well as any opinions and recommendations pursuant to the adopted Network Codes and Guidelines *Priority level – 1 peer reviews, priority 2 others*
- Opinions on the application of Union energy legislation pursuant to Article 7(6) of Regulation (EC) No 713/2009 *Priority level – 2*
- Opinions and recommendations in the areas of the Agency's competence, on its own initiative or upon request by the European Parliament, the Council and the European Commission *Priority level – 2*

The Infrastructure Challenge: Overview of the overall process

Regulation (EU) 347/2013 introduced a novelty in trans-European energy infrastructure selection:

Projects are to be selected only if *they contribute to certain EU policy objectives*, and mainly based on a *Cost Benefit Analysis (CBA) assessment*

CBA methodology

- Prepared by ENTSOs
- **Opinion of ACER**
- Opinion of EC and MSs
- Approved by EC

Ten Year Network Development Plans (TYNDPs)

- Prepared by ENTSOs every 2 years
- **Opinion of ACER**

PCI selection

- Every 2 years
- Based on the last TYNDPs
- Conducted by Regional Groups (EC-chair, MSs, NRAs, promoters)
- Assessment methodology is decided by the RGs
- **Opinion by ACER**

PCI monitoring

- Annual reports by project promoters
- **A consolidated report is prepared by ACER**
- Submitted to the Regional Groups

Cross-Border Cross- Allocation (CBCA)

- When sufficient maturity is achieved
- **A decision by ACER if involved NRAs cannot agree.**

PCI selection

PCI implementation

TEN-E Regulation task in 2020 - Gas & Electricity

- Annual consolidated report on progress in the implementation of PCIs and (if appropriate) recommendations to facilitate the implementation and to overcome delays/difficulties in PCI implementation *Priority level – 1*
- Opinion(s) on ENTSO-E's and/or ENTSO-G's methodologies for cost-benefit analysis, if updated *Priority level -1*
- Opinions on the draft regional lists of proposed projects of common interest, in particular on the consistent application of the criteria and the cost-benefit analysis across regions *Priority level – 1*
- Recommendations to assist NRAs and market players in sharing good practices, where necessary *Priority level – 3*

Electricity TSO-related tasks in AWP 2020

- Opinions on ENTSO-E's annual work programme 2021; annual report 2019
Priority level – 2 - 3
- Opinions on potential updates to ENTSO-E's common network operation tools and common incidents classification scale
Priority level – 2
- Opinion on the electricity national 10-year network development plans and (if appropriate) recommendations to amend it or amend the Union-wide network development plan
Priority level – 2

Electricity TSO-related tasks in AWP 2020 (cont.)

- Opinion on ENTSO-E's recommendations relating to the coordination of technical cooperation between the Union and third-country transmission system operators
Priority level – 2
- Annual monitoring report on the implementation and management of the inter-TSO compensation fund
Priority level – 3
- Internal Monitoring Report on G-charge & Internal monitoring report on the use of congestion revenues
Priority level – 3
- Opinions on ENTSO-E's annual Summer and Winter supply outlooks and on ENTSO-E's research and development plan
Priority level – 3

Possible tasks/deliverables from the Clean Energy Package (undergoing adoption) in AWP 2020:

Electricity – EU Distribution System Operators (DSO)

- Supporting DSO's to submit to the Commission and to the Agency the draft statutes, a list of registered members, the draft rules of procedure, including the rules of procedures on the consultation with ENTSO-E and other stakeholders and the financing rules, of the EU DSO Entity to be established
Priority level – 1
- Issuing an opinion to the Commission on the draft statutes, list of members and draft rules of procedures of the EU DSO Entity *Priority level – 1*
- Issuing an opinion on EU DSO Entity annual work programme and other relevant documents *Priority level – 1*
- Issuing a decision for the EU DSO Entity to provide any relevant information necessary for carrying out monitoring pursuant. In its decisions, the Agency shall make a reference to the legal basis under which the information is requested, the time limit within which the information is to be provided, and the purpose of the request *Priority level – 1*

Possible Tasks/deliverables from the Clean Energy Package (undergoing adoption) in AWP 2020:

Electricity – Regional Coordination Centres

- Monitoring the implementation of the task and cooperation between TSOs and ENTSO-E
Priority level – 1
- Monitoring the performance of Regional Coordination Centres with the NRAs and ENTSO-E, through submitted data resulting from their continuous monitoring
Priority level – 1
- Decision on the configuration of system operation regions based on proposal from ENTSO-E
Priority level – 1

Tasks in WP 2020 (cont.)

Possible tasks/deliverables from the Clean Energy Package (undergoing adoption – Based on Commission proposal):

Resource Adequacy

- Amending, if necessary, and approving technical parameters developed by ENTSO-E for an efficient participation of cross-border capacities in capacity mechanisms and other technical features of capacity mechanisms *Priority level – 1*
- Amending, if necessary, and approving a draft methodology for the European resource adequacy assessment and a draft methodology for calculating: the value of lost load; the "cost of new entry" for generation, or demand response; and the reliability standard expressed as "expected energy not served" and the "loss of load expectation" *Priority level – 1*
- Amending, if necessary, and approving changes of a proposal for a methodology for assessing short-term adequacy - seasonal adequacy, week-ahead to intraday adequacy submitted by ENTSO-E *Priority level – 1*

Tasks in WP 2020 (cont.)

Possible tasks/deliverables from the Clean Energy Package (undergoing adoption):

Risk preparedness

- Coordinating national actions related to risk preparedness with regulatory oversight over the RSC (Regional Security Coordinators)
Priority level – 1
- Identifying electricity crisis scenarios at regional level for short-term adequacy assessment **Priority level – 1**
- Amending, if necessary, and approving the proposal for a methodology for identifying the most relevant electricity crisis scenarios in a regional context submitted by ENTSO-E **Priority level – 1**

Gas TSO-related tasks in AWP 2020

- Opinion on the implementation of the Union-wide TYNDP and investments to create new interconnector capacity
Priority level – 1
- Opinion on the national TYNDPs to assess their consistency with the Union-wide 10-Year Network Development Plans (if appropriate) recommendations to amend the national 10-year network development plans or the Union-wide network development plan *Priority level - 2*
- Opinions on ENTSOG's annual work programme 2021 and ENTSOG's annual report 2019, Opinions on ENTSOG's annual Summer and Winter supply outlooks
Priority level – 2 - 3

Gas TSO-related tasks in AWP 2020 (cont.)

- Opinion on potential updates to ENTSOG's common network operation tools and common incidents classification scale
Priority level – 2
- Opinion on ENTSOG's recommendations relating to the coordination of technical cooperation between Union and third-country transmission system operators
Priority level – 3
- Opinion on ENTSOG's research and development plan
Priority level – 3

Tasks under the Regulation for measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2013:

- Opinions on the elements of coordinated decisions on proposals to enable permanent physical capacity to transport gas in both directions for permanent bi-directional capacity concerning the reverse direction (“physical reverse flow capacity”)
Priority level -1
- Decisions on cross-border cost allocation on proposals to enable physical reverse flow capacity if the regulatory authorities concerned could not reach an agreement on the cost allocation within six month from the receipt of the joint proposal of the transmission system operators - *Priority level - 1*
- Opinions on requests for an exemption from the obligation to enable permanent bi-directional capacity (*if the Agency decides to issue an opinion - priority level 3*)

Activities subject to conditions

In 2020 the Agency may be called to perform the following activities on request:

- Decisions on investment requests including on cross-border cost allocation
Priority level – 1
- Opinions on preliminary decisions by NRAs on TSO certification when requested by the Commission
Priority level – 2
- Peer reviews, as submitted to the Agency based on Article 7(4) of the (EC) Regulation No 713/2009 *Priority level – 1*

Activities on request (continued):

- Opinions on the application of Union energy legislation pursuant to Article 7(6) of Regulation (EC) No 713/2009
Priority level - 2
- Opinions and recommendations upon request the European Parliament, the Council and the European Commission (or on the Agency's own initiative) in the areas of the Agency's competence *Priority level - 2*
- Decision on terms and conditions and operational security of cross-border interconnectors and on exemptions, when requested jointly by the concerned NRAs or when the concerned NRAs fail to take a decision within a predefined period (6 months, with possible extension) *Priority level -1*

“Bridge to 2025” activities implemented in the Work Programme only to a very limited extent due to resource constraints

Legally mandated tasks are a priority, tasks will depend also on the new powers given to ACER within the Clean Energy Package



16 Nov

Deadline for **stakeholders to submit comments** on the **2020 Work Programme Outline**

Mid Dec

The **Draft Work Programme** is presented to the **Agency's Administrative Board** for strategic discussion

31 Jan

The **2020 Programming Document** is submitted by the **Director** to the **European Commission**, after being endorsed by the **AB** in January

1 Sep

The **Board of Regulators (BoR)** approves the **2020 Work Programme (PD)**

30 Sep

The **Administrative Board**, after receiving the **EC's opinion**, **adopts the 2020 Work Programme (PD)** and transmits it to the **EP**, the **Council** and the **EC**

ACER

Agency for the Cooperation
of Energy Regulators

Thank you for your attention!

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