

“A BRIDGE TO 2025”

24 SEPTEMBER 2015

ONE YEAR
ANNIVERSARY
EVENT

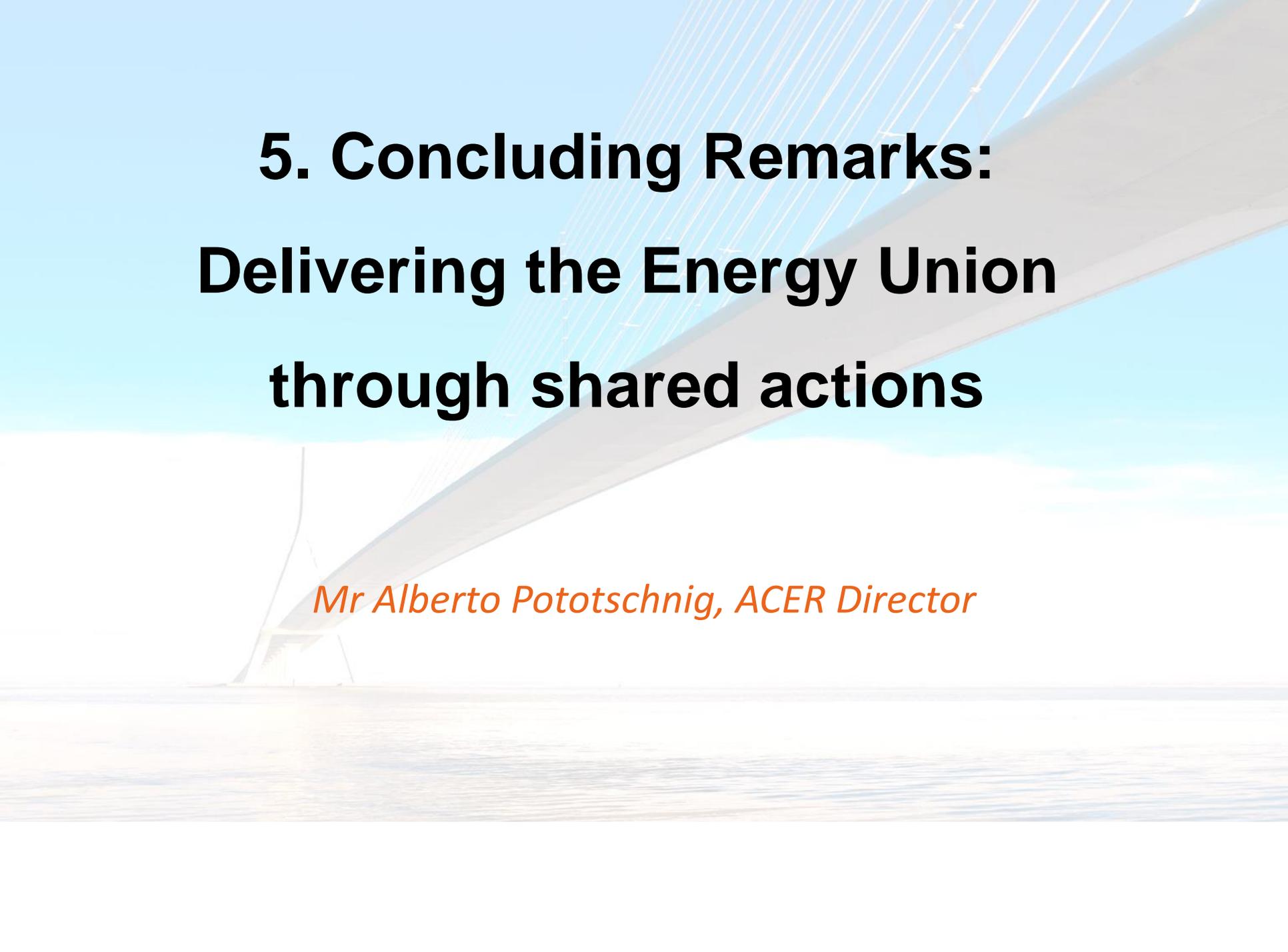
*The Cinquantenaire Museum
10 Parc du Cinquantenaire
1000 Brussels*

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**5. Concluding Remarks:
Delivering the Energy Union
through shared actions**

Mr Alberto Pototschnig, ACER Director

Key takeaways of the day (1)

- Proposals in the **Bridge Conclusions Paper** closely linked to the key elements and objectives of **the Energy Union Strategy**:
 - Adoption and implementation of the **Network Codes and Guidelines** a top priority
 - Review of the **electricity market design** and more **liquid gas markets** and their growing interdependence
 - A new deal for **energy consumers**
 - A future **governance** fit for the challenges of the Energy Union Strategy
- Delivering the **Energy Union Strategy** needs:
 - **concrete actions** to be implemented (by each and all of us, as appropriate) and effectively monitored
 - a **joint commitment** by all actors, to deliver **tangible benefits to energy consumers**
- All **stakeholders**, including **consumers**, should be **fully engaged** in the process of development and implementation of the **IEM regulatory framework**

Key takeaways of the day (2)

- How can we deliver a **New Deal for Energy Consumers**
 - We must empowering consumers to act
 - Make homes and networks “smart”
 - Have well-functioning retail energy markets
- How can we deliver an **electricity market design** which supports RES integration
 - High penetration of renewable-based generation requires market-based flexible response. The market must be fit for RES and RES must be fit for the market
 - We work to facilitate Demand-Side Response deployment and remove obstacles
 - Customer engagement is crucial (voluntary changes in response to market signals must be properly rewarded)
 - Entry of new actors must be managed
 - DSOs should consider flexibility means as an option for network management
 - We need more coordinated system operation
- How can we deliver **more flexible and liquid gas markets**
 - The Gas Target Model (GTM) promotes liquid hubs throughout the EU
 - Liquid hubs bring clear advantages and good levels of liquidity can be achieved
 - NRAs with less liquid hubs to perform self-evaluation
 - In case of limited prospects for hub liquidity, structural measures to be envisaged
 - ACER to support GTM implementation and monitor **GTM indicators**

Key takeaways of the day (3)

Greater **customer engagement**

Greater need **for coordinated decisions** and move away from national interventions

The Agency may play a **strengthened role** in implementing the Energy Union Strategy (envisaged in the Energy Union Communication)

ENTSOs' evolving role and **new bodies** being created need appropriate regulatory oversight

IEM will be open to **neighbouring countries**

A **single** energy market will require a stonger interaction between the electricity and gas sectors; need for **cooperation between ENTSO-E and ENTSOG**

As markets integrate, closer interaction of wholesale and retail markets will require **greater cooperation between DSOs and TSOs**

How can ACER contribute to deliver the Energy Union Strategy, including through “Bridge” actions?

Engaging stakeholders

- In carrying out its tasks, the Agency is required to consult (art. 10, Regulation (EC) No 713/2009) and has extensively consulted stakeholders, including market participants, transmission system operators, consumers and end-users:
 - **32 Public Consultations and 41 Workshops (since March 2011)**
 - **Citizens Summaries on ACER main actions**
 - **3 stakeholder committees** (of EU organisations) **established** for the implementation of the (three set) of electricity network codes/guidelines
 - **4th ACER Annual Conferences** devoted to consumers’ expectations from the Energy Union
 - A Dedicated “**Consumer Hearing**”, to address ACER work relevant for smaller consumers, planned before the end of 2015



How can ACER contribute to deliver the Energy Union Strategy, including through “Bridge” actions? ACER 2016 Work Programme (1)

- ✓ Our Work Programme continues to focus on **four** main themes:
 - The (post-2014) completion of the IEM
 - The infrastructure challenge
 - The monitoring of wholesale energy markets
 - The longer-term regulatory challenges

These four themes contribute to the delivery of the Energy Union Strategy

How can ACER contribute to deliver the Energy Union Strategy, including through “Bridge” actions? ACER 2016 Work Programme (2)

The (post-2014) IEM Completion

- Completion of the Internal Energy Market at the core of the Energy Union Strategy
- ACER’s work focused on Network Codes and Guidelines implementation and implementation monitoring

The infrastructure challenge

- The Agency’s work on infrastructure contributes to European network planning and the identification of PCIs - key to deliver a well interconnected IEM, to promote competition and security of supply

Wholesale energy markets monitoring

- The monitoring of European wholesale energy markets by the Agency (and NRAs) is essential for market integrity, to ensure that consumers pay energy prices which reflect the energy sector fundamentals

Future challenges facing the electricity and gas sectors

- The implementation of the Gas Target Model and the review of the electricity market design with focus on flexible response and system adequacy are ongoing and key to address future challenges

How can ACER contribute to deliver the Energy Union Strategy, including through “Bridge” actions? ACER 2016 Work Programme (3)

Electricity & Gas

- ❖ **Review of the Electricity Target Model** ongoing - focusing on flexible response and system adequacy
- ❖ **Gas Target Model implementation:** NRAs to carry out self-evaluation and report & ACER to summarise and evaluate the results of self-evaluation and proposed measures 

Opinions on ACER own initiative

- ❖ Own initiative reports depending on available resources. Possible Recommendation(s) on:
 - ❖ Specific mechanisms to further enhance cooperation between NRAs and effectiveness of regulatory action at EU level
 - ❖ Regulatory oversight of EU TSO bodies and other bodies performing essential EU-wide tasks

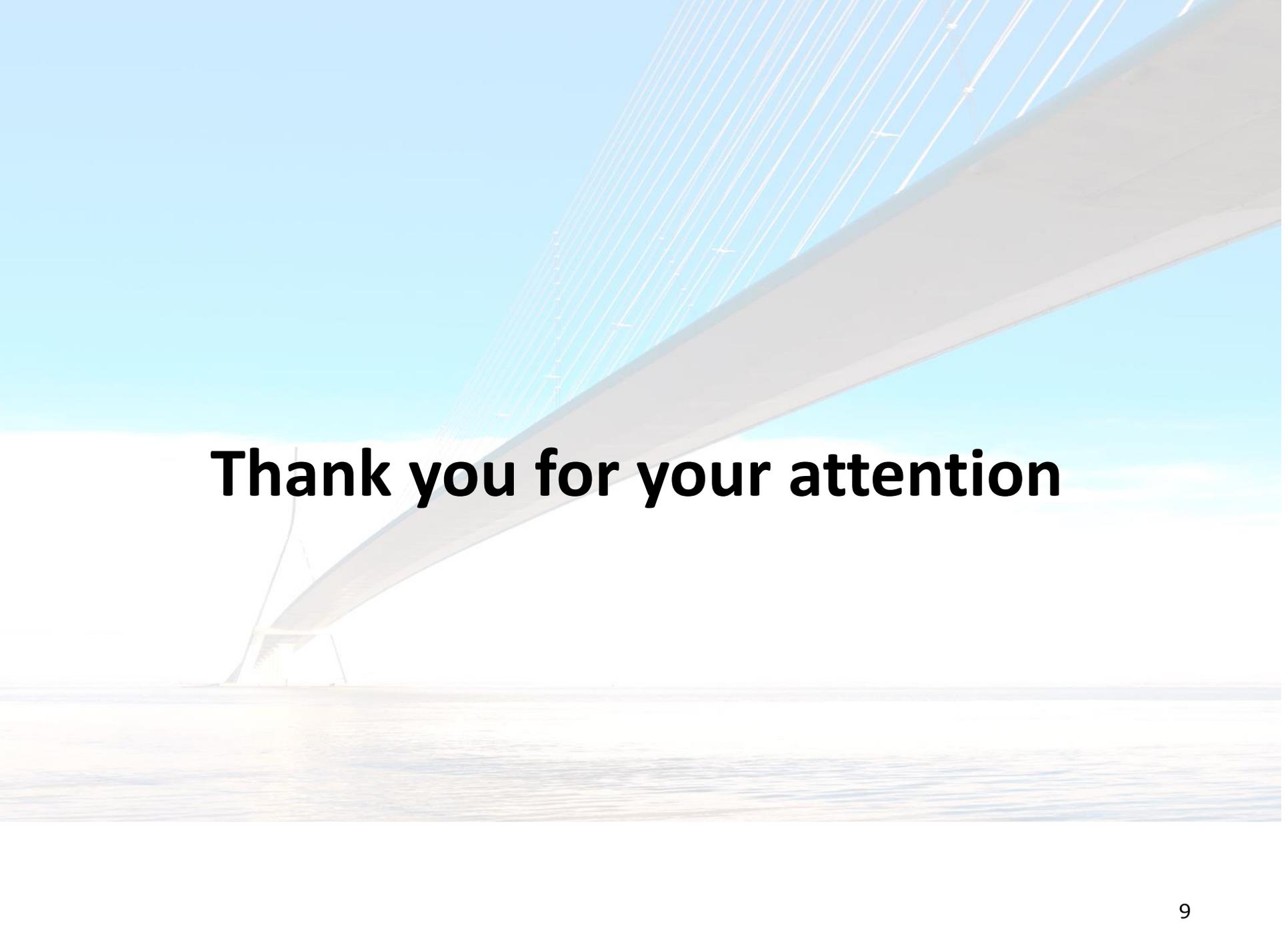
Third countries

- ❖ Stronger cooperation between the Agency and the regulatory authorities in third countries (e.g. enhanced cooperation with the Energy Community, Norway and Switzerland)



In line with the objectives of the Commission's new Energy Union Strategy of increasing the link between retail and wholesale markets and having consumers at its heart, and better coordination between gas and electricity markets we are committed to a more holistic and engaging process for consumers and stakeholders for shaping the future market

**We look forward to continuing our dialogue with
you**

A photograph of a cable-stayed bridge over a body of water. The bridge's deck is a prominent, curved, light-colored structure that dominates the right side of the frame. Numerous white cables fan out from a central point above the deck towards the water. The water is calm and reflects the light. The sky is a clear, pale blue. The text "Thank you for your attention" is centered in the middle of the image in a bold, black, sans-serif font.

Thank you for your attention