

ACER



Agency for the Cooperation
of Energy Regulators

*WORKING TOWARDS A SINGLE ENERGY MARKET
TO THE BENEFIT OF ALL EU CONSUMERS!*



The role of non-governmental organizations for improving the energy policy and the legal basis in the field of energy: Challenges in South East Europe

A view from ACER

15 March 2018, Sofia

The views expressed in this presentation are those of the presenter(s) and not necessarily of the Agency, any of its Boards, or any NRA.

An Outline

- Framework Guidelines and Network Codes
- Other Regulatory Activities ex Regulation (EC) No 713/2009 and No 838/2009 *
- Annual Market Monitoring Report
- REMIT
- Infrastructure Package
- Security of gas supply

An example: electricity network codes and guidelines

- EC: annual programme for the development of network codes for electricity, with input from a public consultation
- The EC, with further input from the [Agency for the Cooperation of Energy Regulators](#) (ACER) and the [European Network of Transmission System Operators for Electricity](#) (ENTSO-E), adopts proposals for network codes.
- The proposals for network codes are checked by an Electricity Cross-Border Committee of specialists from national energy ministries and then adopted with the approval of the Council of the European Union and the European Parliament.
- Whether “codes” or “guidelines”, have the same status: legally binding documents.

An Example of Other Regulatory Activities: Opinions - Gas

- 10-year Network Development Plan (TYNDP)
- ENTSOG's Annual Work Programme and Annual Report
- Summer and Winter Supply Outlooks
- Cost-benefit analysis (CBA) methodology
- Lists of Projects of Common Interest (PCI)
- Other instances where the Agency's opinion is required or may be appropriate

REMIT: Examples of Cooperative Interactions - Memoranda of Understanding

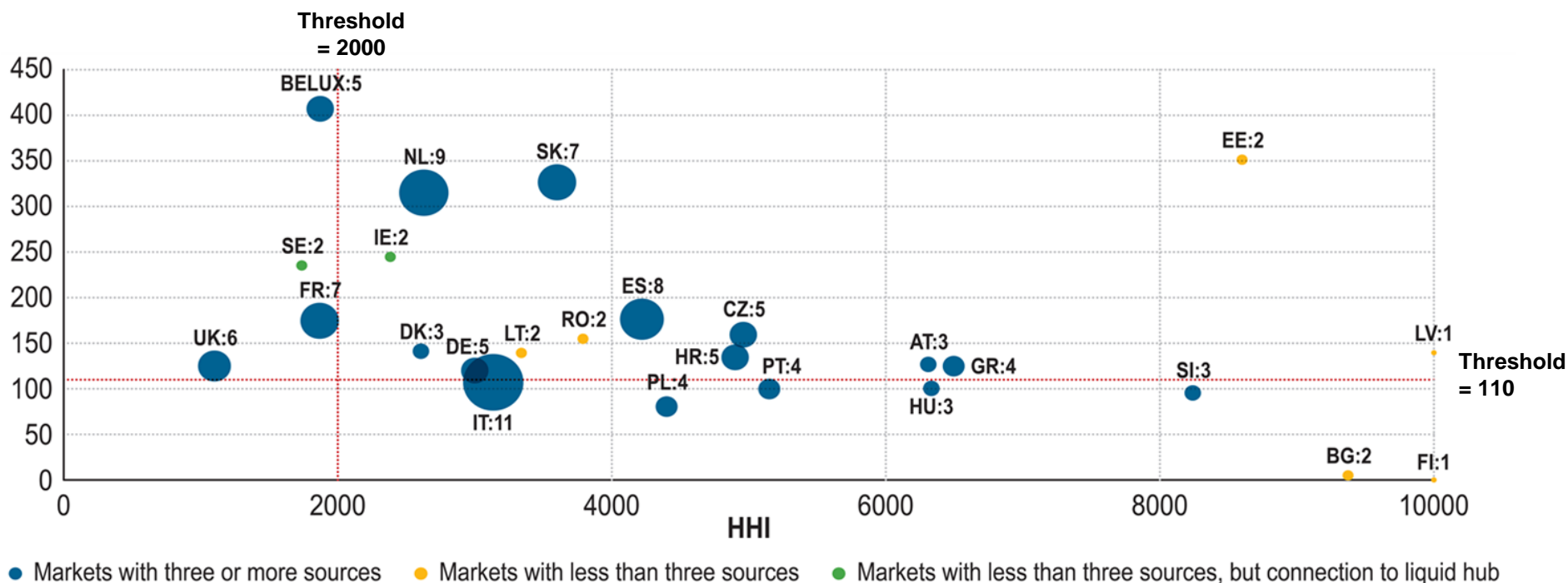
Counterparties and Scope	Legal basis	N. of Signatories
NRAs on cooperation (Multi-lateral)	Art. 7(2)	ACER + 28 NRAs
European Securities and Markets Authority (ESMA) on Cooperation	Art. 16	ACER and ESMA
Organised Market Places on Cooperation	Recital 18	ACER + OMPs
US Federal Energy Regulatory Commission (FERC) on Cooperation	Art. 19	ACER and FERC
NRAs on data sharing	Art. 10(1)	ACER + 28 NRAs
Financial Market Authorities on Cooperation	Art. 16	ESMA + 28 FMAs
European Competition Network on Cooperation	Art. 16	ACER and ECN

Infrastructure: An Example of a CBCA Decision Gas Interconnection Poland – Lithuania (GIPL)

- **No NRA agreement & decision within 6 months deadline, decision-making process referred to ACER subject to Art. 12(6) of TEN-E**
- **Hand-over and introductory meetings with NRAs and promoters**
- **Consultative meeting with NRAs and promoters**
- **Decision taken and notified to parties concerned**
- **Complete text published after review of confidentiality**
 - » **Assessment of admissibility, completeness and maturity**
 - » **Analysis of net costs and net benefits per country (ACER recommendation)**
 - » **Calculation of compensations, definition of payment modality taking into account fairness, regulatory certainty, and balance of risks**
 - » **Total cross-border compensation is €5.8 million to the Polish TSO by the Lithuanian TSO (€4.9 m), the Latvian TSO (€29.4 m) and the Estonian TSO (€1.5 m)**
 - » **Payable after the commissioning of the project, compensations may be adjusted downwards subject to actual costs and revenues, but not upwards**
 - » **Calculation of tariff effects with and w/o cross-border compensation**
 - » **No prejudice to EU funding (CEF, other) – application filed by promoters**

An Example: The upstream situation significantly influences the way in which gas wholesale markets (can) perform

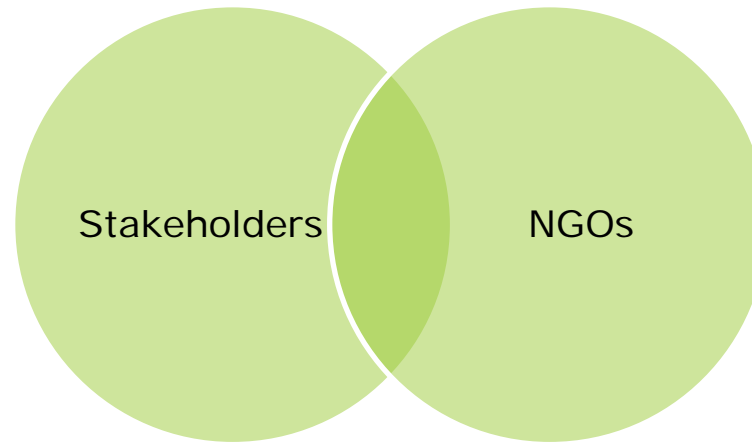
Project of Common Interest should take this into account?



Member states with better functioning hubs tend to have better results

Note: Gas Target Model recommends min. 3 distinct supply origin sources; HHI < 2000 for upstream supply companies and a Residual Supply Index > 110%, i.e. market has the capacity to meet yearly demand without its largest upstream supplier

Avenues of energy cooperation



- Required public consultations
- Public consultations
- Workshops
- Public presentations, discussions
- Comments on draft and final documents
- Functional mailboxes
- General contact information
- **OTHER? BETTER? MORE EFFICIENT? FEEDBACK?**

Thank you for your attention!

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