

Regulators' Bridge to 2025 actions advance the Energy Union Strategy

Brussels, 24 September 2015

Today's one-year anniversary for the "Bridge to 2025" Conclusions Paper¹ is a testimony to the strong link between regulators' "Bridge" actions and the Energy Union strategy, and our engagement in:

- promoting liquid, competitive and integrated wholesale markets and a new deal for consumers;
- enhancing Europe's security of supply; and
- moving to a low carbon society with more renewables and smart, flexible responsive energy.

Regulators' "Bridge to 2025" Conclusions Paper, launched in September 2014, recommends a set of actions for regulators, Member States, the European Commission and energy actors (including consumers).

Delivering the Energy Union through dialogue and collective action

One year on from the Bridge launch, regulators are already realising results focused on:

- strong stakeholder engagement to deliver the Energy Union strategy
- linking wholesale & retail markets in an integrated Internal Energy Market (IEM)
- new governance arrangements fit for an integrated market
- strengthening interactions with regulators within and outside the EU including through regulatory capacity-building along IEM principles

Lord Mogg, Chairman of ACER's Board of Regulators and President of CEER, underlined the importance of continuous stakeholder engagement and delivering tangible benefits to consumers:

"Strong commitment and collective action by all energy actors, consumers and the Institutions is key to delivering the Energy Union strategy. Our forward-looking work on distribution networks and retail markets should help bridge the gap between wholesale and retail markets."

ACER ready to play a stronger role

ACER Director, **Alberto Pototschnig**, stated:

"Completion of the Internal Energy Market is at the core of the Energy Union Strategy. An integrated market, with an increased interaction between electricity and gas sectors, requires even greater cooperation among all actors and a fit for purpose governance and regulatory framework. ACER stands ready to play a greater role in a more robust regulatory oversight of the wholesale energy market, to reinforce regulatory cooperation and oversee the evolving role of network operators and other bodies. This requires firm commitments and action by all of us and effective monitoring."

Regulators, in close cooperation with stakeholders, are contributing to delivering the Energy Union through ACER's work on (post-2014) Internal Energy Market completion, infrastructure development, wholesale market monitoring, Gas Target Model implementation and a review of the Electricity Target Model. Concrete examples of CEER's work include an assessment of the new role distribution system operators (DSOs) will play in the future IEM, advice on data management, forward-thinking work across a number of areas including security of gas supply, gas storage, well-functioning retail markets and future renewables support schemes in Europe, and continuing efforts to better engage consumer bodies in the regulatory process.

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Notes for Editors

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- (1) The [“Energy Regulation-Bridge to 2025” Conclusions Paper](#) (attached to Recommendation of the Agency for the Cooperation of Energy Regulators No 05/2014 of 19 September 2014 on the regulatory response to the future challenges emerging from developments in the internal energy market) contains 5 core chapters on electricity, gas, the changing role of Distribution System Operators (DSOs); consumers and protection and the achievement of well-functioning retail markets; and on the governance of the process for the development of the internal European gas and electricity markets. The recommendations in the “Bridge to 2025” reflect the actions needed to help achieve regulators’ key objectives for the Internal Energy Market in 2025:

- i. Establishing liquid, competitive and integrated wholesale energy market
- ii. Enhancing Europe’s security of supply and channeling the external element of the Internal Energy Market
- iii. Moving to a low carbon society with increased renewables and smart, flexible responsive energy supply
- iv. Developing a functioning retail market that benefits consumers
- v. Building stakeholder dialogue, cooperation and new governance arrangements

Key amongst energy regulators’ cross-cutting Bridge to 2025 proposals are:

- to implement fully the **Third Package** laws and codes;
- to establish a roadmap aimed at **competitive and innovative retail markets** by 2025;
- to promote **flexible response**, and its provision by generators and consumers on a non-discriminatory basis;
- to ensure that the **market for new service providers** is not foreclosed by incumbents;
- to develop the **Gas Target Model** to help manage the uncertainty about future gas demand;
- to **promote security of supply** through a greater consistency of assessment and policy mechanisms;
- to **protect and empower consumers** to participate actively in energy markets (principally through the development of the CEER Consumer Vision)³; including establishing **stakeholder panels** of energy actors and consumer representative bodies;
- to review and, where needed, improve the arrangements for **regulatory oversight** of the European Networks of Transmission System Operators (ENTSOs) and of other bodies (e.g. nominated electricity market operators (NEMOs)); and
- to reinforce **regulatory cooperation** at EU level.

Regulators invite all parties to take forward these objectives and to work collectively with regulators in the coming years to achieve the proposed concrete actions. See the [Bridge to 2025 Conclusions Paper](#) and a short Executive Summary on www.acer.europa.eu

- (2) During the event, regulators outlined their first set of “Bridge to 2015 actions”, which help deliver the Energy Union strategy:

Delivering actions through ACER

Promoting a well interconnected IEM

- Recommendations for the **adoption** of all Electricity - all (but one) **gas codes & focus on implementation**
- **Gas Target Model** reviewed & implementation underway
- Review of **Electricity Target Model** (focus on flexible response and system adequacy), underway 2015-2016
- **Infrastructure challenges: 2nd CBCA Recommendation** and Opinion on PCI selection, underway

Delivering actions through CEER

Promoting the IEM

- **Characteristics of well-functioning retail markets**
- The future **role of the DSO**
- Vision for regulatory arrangements for the **gas storage market**
- Advice on Customer **Data Management** for Better Retail Market Functioning
- Report monitoring implementation of the **Gas Storage GGP** and of the **GSE Transparency Template**

Delivering actions through ACER

EU energy policy development

- Possible ACER recommendations in 2016:
 - To further **enhance cooperation between NRAs and effectiveness of regulatory action** at EU level
 - **Regulatory oversight** of mandatory and voluntary EU TSO bodies
- We continue feeding into **EU discussions** on energy market design, in cooperation with CEER

Dialogue, engagement and cooperation

- 3 (electricity) **Network Code Stakeholder Committees**
- **8 public consultations, 15 public events + 4 public debriefs in the last year**
- **Involving third countries** (EnC and Norway) in Agency Working Groups

Delivering actions through CEER

EU energy policy development

- Concept Paper on **Security of Gas Supply**
- Responses to **EC consultations** on revisions to the EU's Security of Gas Supply Regulation; EMIR; **MiFID II / MiFIR**; European Energy Security Strategy; etc..
- Status Review on **RES and Energy Efficiency Support Schemes**
- Participation in European **Commission expert groups**

Dialogue, engagement and capacity building

- **Involving consumer organisations** in regulatory process
- **Building collaboration** with consumer protection bodies, ombudsmen, data protection agencies and other enforcement authorities
- 12 public **events, 3 public consultations** in the last year
- CEER **Training Courses** open to all 3rd country NRAs
- Extend **CEER Observership** to Energy Community NRAs