



Fostering energy markets, empowering **consumers**.

CEER 2016 Work Programme

Ref: C15-WPDC-27-06

6 January 2016



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1. Foreword

The Council of European Energy Regulators (CEER) brings together Europe's independent energy regulators allowing them collectively to play a major role in developing and delivering the Internal Energy Market alongside their significant contributions to the work of the Agency of the Cooperation of Energy Regulators (ACER). CEER also supports the work of the European institutions and seeks to foster good regulatory practices with consumer interests at their heart.

Energy customers are indeed the central focus not only of CEER at European level but also of National Regulatory Authorities (NRAs) at national level. Energy regulators play a major role in promoting competition as a means of safeguarding consumers' interests, thereby allowing them to benefit to the full from competitive prices, improved services and greater choice. The major changes underway in the energy market are driven by greater penetration of renewable generation and the introduction of smart technologies at grid level and in their homes. These changes will profoundly impact on the way customers interact with the energy market. CEER is committed to achieving appropriate adaptation to the regulatory framework and regulatory practices. As a priority, we shall work to ensure that consumers are properly protected and empowered to be well placed to adapt to these developments.

Our Annual Customer Conference is an important opportunity to allow the voice of consumers to be heard much more clearly at the heart of European policy making; in particular to offer views on the way this developing energy market should interact with retail customers and, increasingly, to them as prosumers. Indeed, regulation has a central role in ensuring that markets are efficient and that consumers are properly empowered and adequately protected, notably during periods of significant change. We shall continue to identify and develop good regulatory practices to help national regulators in this process of continuous improvement, and we shall contribute to the effective implementation of new European regulatory measures. We shall also search out examples of good regulatory practices from countries beyond our borders and where possible, encourage regulators in those countries which interact with Europe's energy markets to adopt good regulatory practices principally grounded on the European Union's approach.

This work programme outlines the focus of our work in the coming year in order to give stakeholders a clear idea of the different actions and studies that we shall be undertaking. It is an ambitious programme but one to which NRAs, despite pressures at national level, have committed to provide the necessary resources to ensure its delivery alongside the equally ambitious Agency work programme in which NRAs continue to play a major role.

CEER President



2. Introduction

The Council of European Energy Regulators (CEER) is the voluntary association of Europe's National Energy Regulatory Authorities (NRAs). CEER supports NRAs in their important work by developing good practices in energy regulation and facilitating the sharing of experience, including through the organisation of training and workshops. Regulators, working through CEER, focus on a number of key areas which are important to the effective development of energy markets to the benefit of consumers.

In 2016, CEER will prioritise work in the areas of:

- Consumers and retail markets
- New legislative/policy developments
- The changing role and regulation of distribution networks
- International work beyond the borders of the EU

In addition, CEER will continue to extend the range of services it provides for NRAs. CEER will focus on supporting NRAs in undertaking their role in the completion of the Internal Energy Market (IEM) including by providing training for both member NRAs and non-CEER regulators.

European energy regulators also work actively within the working groups of the Agency for the Cooperation of Energy Regulators (ACER), focusing on its statutory tasks relating to the development, implementation and monitoring of the cross-border regulatory framework for the effective operation of the IEM. Whereas ACER's tasks are derived from legislation, CEER is the European energy regulators' tool for addressing issues which are complementary to the legal functions of ACER.

CEER was a major contributor to the ACER Conclusions Paper "Energy Regulation: A Bridge to 2025" which was published on 23 September 2014. The conclusions document includes proposed actions for the European Commission, Member States, regulators themselves, energy market actors as well as for consumers. Some of the proposals fall to CEER to implement and the CEER 2016 Work Programme includes deliverables which relate to these priorities. We were pleased to note that many of the recommendations included in the 'Bridge to 2025' were incorporated in the European Commission's proposals for the Energy Union. CEER will be active in advising the European Commission as it develops proposals and will work to help European NRAs play their full part in the resulting policies as they emerge.



3. Our priorities in 2016

CEER will continue to concentrate on enhancing the capability of European NRAs to fulfil effectively their individual responsibilities for achieving a competitive, sustainable and secure energy market in Europe. CEER will also continue to engage fully with European Institutions to help in the development of a sound and sustainable single European energy market. We will enhance collaboration between member NRAs to share experiences and to identify good regulatory practices. In 2016, we will develop further the internal services CEER provides for our members and non-member NRAs, particularly in relation to the provision of training.

CEER's priorities for 2016 will continue to emphasise the increasingly active involvement of customers in the development of energy markets. In this context, we will examine the functioning of markets and key services for consumers (such as barriers to market entry, price comparison tools and data management) and the changing role and regulation of distribution networks. We will continue to work towards the enhancement of retail market competition and to foster appropriate levels of consumer protection in an evolving European market. CEER will also continue its work to improve gas markets, in particular liquefied natural gas (LNG) and storage. The ongoing changes to our electricity systems will also come within our focus, including for example the emergence of self-consumption and a review of support policies for renewable generation.

Furthermore, CEER is examining, in cooperation with ACER, the regulatory issues in relation to demand response which are emerging as a result of greater penetration of intermittent, renewable generation in Europe's electricity networks. Our intention is to develop the necessary regulatory framework needed to respond effectively to this challenge and to contribute positively to any related initiative by the European Commission which may result from its Energy Union Communication.

We will also continue to develop relations with regulators internationally to learn from the exchange of experiences and to respond to the growing interaction between the European internal energy market and its neighbouring markets. Our activities will complement and support those developed by the European Commission in the context of the Energy Union.

3.1. Consumers and retail markets

Consumers and retail markets will continue to be a priority in 2016. Importantly, we are enhancing our focus on delivering the benefits of competition and a fully functioning Internal Energy Market to all consumers, building from our October 2015 "Position paper on well-functioning retail energy markets" and our commitments from the 'Bridge to 2025'. The Bridge proposed a number of priorities for CEER in relation to consumers. Key among them are to:

- Develop a draft roadmap aimed at a competitive, reliable and innovative retail market by 2025
- Determine minimum standards to remove market barriers
- Facilitate more active participation of smaller consumers in the markets
- Develop the CEER 2020 Vision into practical actions to enable market development across Member States whilst protecting and empowering consumers

In 2016, our priority will be to take actions, including launching the development of a draft roadmap, to enhance retail market competition. This will include cooperating with the European Commission in following up the proposals in its July 2015 Communication "Delivering a New Deal for Energy Consumers." Indeed, the Retail Communication identifies some specific areas where they see further need for improvement of retail market functioning to the benefit of consumers, including on the clarity and comparability of the content of bills;



the transparency and reliability of price comparison tools; and the incentivisation of innovation and cost-efficiency in distribution system operators¹.

We will also continue to promote choice and competition in Europe's retail markets, champion consumer rights and emphasise in our communications that the benefit of the consumer is the ultimate goal of sound energy regulation. Through the deliverables from our Work Programme and ongoing efforts, we will continue to develop and promote communication tools such as our dedicated customer web pages.

As part of this goal, we will work to build collaboration with other authorities (including consumer protection bodies, ombudsmen, data protection agencies and other enforcement authorities) in order to promote effective enforcement of energy consumer rights, so that consumers are adequately empowered and vulnerable customers are protected across multiple levels and measures.

We are also committed to bringing energy regulation issues closer to consumers with the continuation of the inclusion in all CEER reports of a customer section and an accompanying Citizens' Q&A memo to explain briefly and simply our work. This customer focus will naturally continue in 2016 and will develop further as our consumer vision is enhanced and implemented.

3.2. New legislative/policy developments

Through CEER, European energy regulators are committed to serving as valued partners for the European Institutions in their shaping of energy policy and legislative proposals. CEER will continue to interact with, and input to, the European Commission, in particular concerning initiatives which impact energy markets, such as the Energy Union, the Energy Market Design Communication, the Retail Market Communication and related proposals which may emerge during 2016.

We also remain committed to working with and advising the European Commission on regulatory aspects in a range of areas, including flexibility, tariffs, retail markets, smart grids and consumer rights. CEER will continue to collaborate closely with ACER in those areas where it has legal responsibilities.

3.3. The changing role and regulation of distribution networks

Examining the changing role of distribution networks in anticipation of current retail and wholesale market developments will continue to be a priority for 2016. CEER will review the way in which distribution networks are regulated, given current developments in market design and the use of the networks (distributed generation, demand response, integration of renewables, etc.). This includes examining good practices on incentives schemes (including for innovation) for Distribution System Operators (DSOs).

A key area of CEER activity relating to DSOs in 2016 also includes examining the interactions between Transmission System Operators (TSOs) and DSOs as DSOs manage their networks more actively.

¹ The Communication proposes to cooperate with energy regulators in addressing these issues.



3.4. International work

Globalisation of energy markets means that developments beyond the borders of the European Union can significantly affect the operation of its energy markets now or in the future. The enlargement of the Union requires substantial preparation in Accession States. It is important that the 'energy acquis' is effectively implemented and applied and that good regulatory practices are in place if a smooth transition is to be assured. CEER's international work in 2016 will focus on:

- Pro-actively engaging in EU international policies and extending the acquis
- Promoting and supporting energy security
- Accessing and exchanging expertise on good regulatory practices and market solutions
- Monitoring and engaging in developments that could impact on EU NRAs

We will continue the commitment to dialogue with international partners, particularly near neighbours, and to support to the European Commission and the external priorities outlined in the Energy Union. As part of this commitment, we are pleased to be extending our Observer membership to the contracting parties of the Energy Community, and hope this will facilitate closer cooperation and exchange of regulatory knowledge between our respective NRAs.

3.5. Other work areas

Gas will remain an important issue for CEER during 2016. Work will include the implementation of the updated Gas Target Model (GTM) in close collaboration with ACER. Particular attention will be given to the revision of the EU Gas Security of Supply Regulation, on which CEER has already been working very actively in 2015. We will continue to work on improving the efficient operation of the storage and LNG markets.

CEER will complement the work of ACER in the regulation of the European electricity market with a particular focus on the development of an efficient market for renewable generation, including in respect of the development of a market in flexible response. We will continue to prepare and publish our periodic benchmarking report on electricity and gas quality of service which is a key reference for the international comparison of distribution network performance.

CEER will continue to undertake important monitoring work across a range of areas.



4. CEER Work Programme 2016

#	Sector	Title	Description	Bridge related	Timeline*					
					2015	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017
1	Consumers and retail markets	Consumer Protection and Empowerment Chapter of the ACER/CEER Market Monitoring Report	As part of the ACER-CEER Market Monitoring Report (MMR), this chapter looks at the functioning of retail markets from the customer perspective. It focusses on the consumer-related provisions of the 3rd Package and Energy Efficiency Directive, whether and how they are implemented. It presents data on affected consumers with respect to such provisions (e.g. complaints, disconnections, etc.). Given current developments, it will focus on smart meter roll outs. The chapter draws on the CEER database and will explore other data sources for specific purposes. It includes timely additional material in the form of a limited number of case studies.	Bridge related	Start			End		
2	Consumers and retail markets	Guidelines of Good Practice on Removing Barriers to Entry in Energy Retail Markets	In 2015, CEER identified actions that NRAs are taking to remove barriers to entry for energy suppliers in retail gas and electricity markets across EU. The envisaged Guidelines of Good Practice (GGP) in 2016 will make recommendations to remove identified barriers based on existing practices in some Member States. The document will link to the CEER Position Paper on Well-functioning Retail Markets.	Bridge related		Start	WS	PC	End	



#	Sector	Title	Description	Bridge related	Timeline*					
					2015	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017
3	Consumers and retail markets	Update of Guidelines of Good Practice on Price Comparison Tools in Energy Retail Markets	In 2012, CEER published its GGP on Price Comparison Tools (PCT). This GGP contains recommendations related to both privately and publicly operated PCTs. Given the focus the European Commission has put on PCTs in the New Deal and plans to legislate on this in future, and given that the EC is considering imposing certification of the correct and neutral functioning of PCTs, CEER will ensure that its GGP is up to date and addresses issues that energy consumers experience when using PCTs. Moreover, the Update will reflect how PCTs can fit with the next generation of pricing models (time-of-use, demand response, individualised consumption patterns, etc.). The document will link to the CEER Position Paper on Well-functioning Retail Markets.	Bridge related	Start		WS	End		
4	Consumers and retail markets	Status Review of Implementation of CEER Advice on Customer Meter Data Management	In 2015, CEER published its Advice on Data Management for Better Retail Market Functioning. The London Forum 2015 asked NRAs to follow CEER's guiding principles in their regulatory activities and report to the Forum on their use (specifically, regarding whether or not the customer has access to the relevant information, and whether or not an authorised third party has access to the relevant information). This relates to key property #6 (low market entry barriers), metric Q (number of common standards for consumer data and for DSO supplier contract or availability of data) in CEER's Position Paper on Well-functioning Retail Markets. This deliverable will help us report to the London Forum in 2017.	Bridge related		Start			End	



#	Sector	Title	Description	Bridge related	Timeline*					
					2015	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017
5	Consumers and retail markets	Preparation of a Draft Roadmap for Delivering Well-functioning Retail Energy Markets	The October 2015 Position Paper on Well-functioning Retail Energy Markets will be followed up by the development of a draft roadmap towards delivering well-functioning retail markets. Part of this initial roadmap will include harmonised definitions, or common understanding, of metrics in coordination with ACER.	Bridge related	Start		WS		End	
6	Electricity	Bi-annual RES Status Review of Renewable and Energy Efficiency Support Schemes in Europe	This document will form the latest update to the regular CEER Status Review of Renewable Energy and Energy Efficiency Support Schemes in Europe. These documents collect comparable data on RES support in Europe (e.g. by technology and support type).	Bridge related	Start				End	
7	Electricity	Status Review on Self-consumption: Developments in Member States and Key Regulatory Issues	This status report will address issues relevant for self-consumption, e.g. how to balance self-consumption and generation on the grid; how to remunerate this vis-à-vis impact on system costs; and how to design charges for connection/injection to the grid as well as balancing responsibilities.		Start				End	
8	Gas	CEER Position on Security of Supply Regulation Revision	CEER will accompany all steps of the revision of the Security of Supply regulation of the European Commission, based on developed CEER positions.	Bridge related	Start	WS			End	



#	Sector	Title	Description	Bridge related	Timeline*						
					2015	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017	
9	Gas	Analysis of Storage Products Offered Across Europe and Review of Regulatory Barriers Preventing Innovation	The report on the role of gas storage in the security of supply context will be followed up by looking at different storage products offered across the EU and its attractiveness in the overall gas market. A review of the regulatory barriers that are preventing innovation will also be conducted. We will seek to conduct analysis as far as possible jointly with Gas Storage Europe (GSE). This will also serve as an input to the EU's Storage Strategy, which the European Commission aims to publish in 2016.	Bridge related		Start PC				End	
10	Gas	Contribution to the EC LNG Strategy	After CEER's contribution to the Public Consultation on a LNG strategy in September 2015, we will continue to follow this process closely and contribute where possible, in particular to the Communication on LNG which the European Commission announced for 2016. Relevant topics: 1) How to best use free capacity from LNG terminals in order to transport it regionally to places where the gas is needed in exceptional circumstances; 2) LNG transport as an alternative to pipeline development.	Bridge related	Start		End				
11	Gas	Implementation of the Gas Target Model (GTM) Update According to 'Bridge to 2025' Approach to Further Integrate Gas Markets	Implementation of the recommendations of the GTM update and identifying possible regulatory hurdles and reporting on their experience; to be conducted jointly with ACER.	Bridge related	Start					End	
12	Cross-sectoral	CEER Guidelines of Good Practice on Incentives Schemes for DSOs, including Innovation	The GGP will be aimed at assisting NRAs in developing price controls for distribution system operators to encourage efficiency and innovation.	Bridge related	Start					PC WS	End



#	Sector	Title	Description	Bridge related	Timeline*					
					2015	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017
13	Cross-sectoral	The Future of the DSO and TSO Relationship	Increasing amounts of distribution generation and new network technologies may require DSOs to play a more active role in network operation. This document will help NRAs to better understand the changing relationship between DSOs and TSOs and how NRAs can help shape this process.	Bridge related	Start			End		
14	Cross-sectoral	Guidelines for Flexibility Use at Distribution Level	The aim of this document is to review the conditions under which DSOs could use flexibility and to provide guidelines on how they can use flexibility with minimal distortion to markets and competition.	Bridge related		Start			PC	End
15	Cross-sectoral	EQS 6th Benchmarking Report	The periodic Electricity Quality of Supply Benchmarking Report is a key reference document used internationally to assess the performance of distribution systems. This latest edition will include information on natural gas as well as electricity.		Start		End			
16	Cross-sectoral	Benchmarking Report on Power Losses	The report will benchmark the level of electricity network losses in European countries and identify different national practices regarding the definition and calculation of such losses.						Start WS	End

* The timelines displayed here show the forecast plan for 2016 at the time of publication of this document. For updated indications, please refer to the monthly CEER electronic letter. Start and End refers to when work on the deliverables are planned to be done

WS = Workshop
PC = Public Consultation