

**Position Paper of CEZ, a. s.
on the Implementing the third energy package -
An initial consultation paper by the European
Energy Regulators**

CEZ persons responsible	
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I. Introduction

CEZ, a. s. (hereinafter referred to as “CEZ”) welcomes the opportunity given by the ERGEG to all interested parties to comment the text “Implementing the third energy package - An initial consultation paper by the European Energy Regulators“ within the Public Consultation process.

In this paper, CEZ has answered the questions asked in the text.

II. Specific comments of CEZ

2. The work of the Agency

A Please comment on the Consultation Arrangements proposed in this paper (see Appendix 1 Annex 2) as a basis for the interim period and for later decision by the Agency as its own process.

Each of the parts in this chapter is ending with ...Regulators (will). We hope that all the responses to the public consultations will be taken into consideration properly, i.e. in the field they are thought to be implemented.

B Could the fora (i.e. Florence, Madrid, London) be further enhanced to allow stakeholders to make an effective contribution to the development of the single European energy market? How could this be done in a practical way?

The fora are only one of the forms how the stakeholders can contribute to the development of the single European energy market. Other thinkable forms, e.g. professional associations, chambers of industry and commerce etc., should be also taken as equal partners.

C Could focused ‘ad hoc panels’ of interested expert stakeholders assist the Agency in the development of regulatory policies? Should they be linked (though without full representation) to the Florence, Madrid, and the new London Fora to avoid the proliferation of consultation structures, ensure the effective delivery of stakeholder views and proper representation? Or should the ad hoc panels be organized independently of the Fora in close cooperation with energy consumer and network user representatives?

It depends how the Agency will develop its activity. Whether it wants only to „control“ or to be a „team leader“ of many various influences. We would like that the latter possibility creates effective gas and electricity markets etc.

D Are proposed measures to ensure the proper public accountability of the Agency broadly adequate?

At actual state of knowledge, they seem to be adequate.

E What do you consider to be the key elements for the successful establishment of the Agency? What are the most important issues relating to the NRAs and their role within the Agency?

The establishment of the Agency will not be a short process and the role of NRA seems to be the decisive one. Transparency and communicativeness will be the key issues.

3. Framework Guidelines, Codes and Other Cross-Border regulatory Issues

A Are the proposed priorities for the codes and technical areas the right ones? If not, what should the priorities be?

The functionality of the networks is the necessary condition for the proper function of the energy markets. The proposed priorities for the codes and technical areas seem to be appropriate at the moment. Nevertheless, the real development can bring changes and these changes must be considered in a flexible way.

B Do you agree with our proposed approach grouping the technical areas into codes (see Appendix 2)? If so, what could the groupings be?

At the moment, we agree with the proposed approach grouping the technical areas into codes.

C Which aspects of market design or network operation should be fully harmonised across the Union through the first set of codes?

This point will need much more discussion with the wide field of stakeholders. Clear framework for the market is a must (i.e. ownership unbundling of the transmission and transportation networks, ...)

D Annex 1 of Appendix 2 we describe the content of each area mentioned in the Commission's initial proposals. Do you think the description is complete? If not, what aspects should be elaborated within the areas?

At the moment, we think the description seems to be appropriate.

4. The ENTSOs and European Energy Regulators

A Are the mechanisms and observations outlined above – notably in relation to the interaction between the Agency and the ENTSOs (and CEER and GTEplus/ENTSO-E) adequate? Are there changes that should be considered for their improvement?

We consider the outline mentioned above satisfactory in the light of actual development. Anyhow, more specific definition for the co-operation of the institutions is needed. As to the participation of the Commission in the process, it should be very clearly defined and very carefully discussed.

5. Regional considerations in moving to a single European market

A Are the proposals in paragraph 69 to ensure the regional level involvement of stakeholders adequate? If not, how could they be further improved?

At the moment, we think the description seems to be appropriate.

B How do you envisage the Regional Initiatives operating after the entry into force of the 3rd package legislation? Will their role become less important, given the development of network codes at EU level?

We think that the role of the Regional Initiatives operating after the entry into force of the 3rd package legislation will not be less important as they form an intermediate element in the European energy market formation.