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## European Energy Regulators 2010 Work Programme

As we refer to the European Energy Regulators public consultation on the 2010 Work Programme C09-WPDC-18-03, DONG Energy approves the ERGEG Consultation's ability to comment on the work programme. Additionally, we approve to the focused approach and the definition of the seven key areas as the most important areas of work for ERGEG for 2010. DONG Energy is looking forward to see the results of the work; the documents and deliverables.

Our ref. Kai Eric Sode Rasmussen  
Doc. No. C09-WPDC-18-03  
Case No. WP2010

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The following comments from DONG Energy to the Work Programme are limited to subjects we find important to cover in the listed documents or deliverables.

Chapter 3.1.1 Document no. 2 *"Input to the Framework Guideline on capacity allocation and congestion management (EWG)*.

DONG Energy finds it important that the guidelines on capacity allocation and congestion management take into consideration the social welfare costs of day ahead reservations for ancillary services and ramping<sup>i</sup> reservations on day ahead and intraday markets. We believe that proper administration and correct grid management shall maximise the overall social economic welfare. Hence, we advocate for transparency and suggest all constraints suggested by a TSO to be evaluated on its social economic welfare costs.

Chapter 3.1.2 Document no. 6 *"ERGEG advice on the 10-year electricity network development plan (EWG)"*.

DONG Energy believes it is the duty of the regulators to favour the network investments with the highest social economic welfare benefits. We find it fundamental that all network development plans are evaluated on their social economic welfare. This includes already decided projects, planned projects, as well as both national projects and cross border projects. Further, the development plan for renewable energy sources add an important component of the network development plans. DONG Energy suggests that the 10 year network development plan explicitly pays special attention to regional plans for renewable development projects. Since development and delivery often are longer for network extensions compared to e.g. a wind farm – it is important network devel-

opment is treated in a long term perspective.

Our ref. Kai Eric Sode Rasmussen

Chapter 3.1.3 Document no. 9 “*Input to the Framework Guideline on transparency in electricity (EWG)*”.

Transparency is a prerequisite for a well functioning power derivatives market and physical power market. Following, market rules must be imbued with transparency as an overriding principle in order to obtain a clear and manageable set of conditions for competition within the market. Such transparency cannot be reached without involving TSOs, market participants, and regulatory agencies in a common process. The setup must imply that all market participants provide any information to the market that may influence on the power price. For producers this may be information regarding outages and for transmission owners information on transmission capacity restrictions. It is essential that these market rules apply equally for both producers as well as transmission owners. Further it is preferable if the same rules apply for neighbouring market areas.

Chapter 3.2.1 Document no. 13 “*Pilot Framework Guideline on CAM/CMP and draft Comitology Guidelines and no. 15 Input to the Framework Guidelines on Gas Balancing Rules.*”

DONG Energy believes that this work is very important for the ongoing market integration, and should lead to a number of well connected market areas with a more or less seamless interaction between the areas.

Chapter 3.2.1 Document no. 14 “*ERGEG Guidelines on Good Practice on CAM/CMP to storage facilities*”; no. 16 *Advice on Best Practice for LNG terminals* and no. 20 “*ERGEG Benchmarking Report on Storage Tariffs.*”

A regulatory framework may be necessary for some gas transmission pipelines, which may be a natural monopoly. However, in our view, storages and LNG terminals are available for all market parties. Consequently, such flexibility tools cannot be considered natural monopolies and should therefore not be regulated. In other words with a well functioning gas pipeline regulation, we do not see the need for regulation or guidelines for flexibility tools.

Chapter 3.3.3. Document no. 32 “*CEER advice on the modification and enforcement of network codes (ENP WG)*”.

DONG Energy finds it very important that administration and regulation of network codes are developed in balance by the market participants and the regulatory agencies. Consequently, we emphasise the need of the development and modification procedures for network codes explicitly outlines the process, for how market participants can enforce changes to and development of new network codes.

If the above comments from DONG Energy cause any questions or comments please do not hesitate to contact us.

Yours sincerely

DONG Energy  
Flemming Birck Pedersen

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<sup>i</sup> Ramping means a restriction of how much the planned flow is allowed to change between two hours.