



Fostering energy markets, empowering **consumers**.

Evaluation of Responses

Stakeholder comments on CEER Work Programme 2015

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EXECUTIVE SUMMARY

The Council of European Energy Regulators (CEER) appreciates the comments and feedback received to the public consultation on its 2015 draft Work Programme (WP). A total of 25 respondents submitted their views. We received both general remarks on the WP as well as remarks on the priority areas and individual deliverables. Overall, respondents expressed strong support for our proposed 2015 deliverables. There was also a broad consensus on the importance of the priority areas identified.

CEER has reviewed its draft 2015 Work Programme to take into account suggestions made by stakeholders and has provided further clarification and detail on the planned deliverables.

The present evaluation of responses accompanies the final CEER 2015 Work Programme and provides CEER's consideration of the comments submitted.



1. Stakeholder feedback and comments

CEER published its draft proposals for its 2015 Work Programme on 11 July 2014 and responses were sought, via an online questionnaire, by 31 July 2014. We explained that this consultation should be read in conjunction with the parallel ACER consultation “Energy Regulation: A Bridge to 2025”¹ which examined the strategic challenges energy markets are likely to face during the next ten years.

25 respondents (of which one confidential) took advantage of this opportunity and submitted their written comments to the draft CEER 2015 Work Programme. The comments represent a broad variety of organisations (Annex 2). CEER appreciates the input from different stakeholders.

The present document summarises the views expressed by respondents and presents the conclusions CEER draws from them.

CEER’s final 2015 Work Programme, as well as the non-confidential responses to our online consultation, are available on the CEER website. In line with our current practice, opportunities for stakeholder involvement in our work (public consultations, workshops and hearings) will be communicated online and updated on a rolling basis.

1.1. General comments on the draft CEER 2015 WP

Several comments indicated that there remains some confusion among respondents over the role of CEER and ACER. Some expressed this explicitly, whilst others propose tasks for CEER which properly are for ACER or are already being addressed by ACER.

Some of the respondents expressed that it would be helpful to relate the individual deliverables more clearly to the priorities in the Work Programme, and that most will be justified in relation to more than one priority.

1.2. Comments on the priority areas of the draft CEER 2015 WP

There was a broad consensus on the importance of the proposed priority areas.

One respondent replied that new legislation and new policy is not needed as the current framework is sufficient and that the focus instead should be on long-term sustainability of the energy system.

¹[ACER consultation “Energy Regulation: A Bridge to 2025”](#)



One respondent suggested deleting the deliverables (1) Monitoring Report on the implementation of Guidelines of Good Practice for Storage System Operators for Capacity Allocation Mechanisms and Congestion Management Principles, (2) Monitoring Report on the implementation of GSE Transparency Template and (3) Status review of new uses of LNG from the gas section of the 2015 WP, as the respondent had difficulties with mapping the deliverables to one of the four priority areas.

Of more general remarks, one respondent encouraged the promotion of stronger stakeholder involvement during the preparation of reports. Individual respondents said that ensuring better coordination between regulators' actions and initiatives from the European Commission would provide a better investment climate, and that an improved framework for innovative technologies was required.

1.2.1 Consumers and retail markets

20 of the 25 respondents gave comments on this priority area. Most of them strongly supported the focus on customer issues and believed that the draft CEER 2015 WP focused on the right deliverables within this priority area. Some considered that the deliverables are in line with the CEER-BEUC 2020 Vision to put customers at the centre of the retail energy market.

One respondent urged CEER to consider fundamental components such as transparency of information, the process and quality of smooth supplier switching and a level playing field for competition, rather than speedier switching and uniformity in contract terms.

One respondent stated that the focus should extend to how to create a market for consumer services and how to enable active participation of consumers in the market. Another respondent called for a more consistent approach regarding the development of smart grids and the opportunities they offer for consumers.

One respondent pointed out that end-user price regulation is one of the main barriers towards customer empowerment and urged CEER and the European Commission to come up with a clear roadmap/action plan to this to end.

Another respondent commented that the impact of taxes and levies on energy bills and the broader issue of affordability are not widely considered in the draft WP. The same respondent stated that there is a need to take account of national differences and that the main focus should be on ensuring lesser developed retail markets are brought up to speed with more liberalised and advanced energy markets.



One respondent noted that there is a need for clarifying the definition of retail market so that it includes both residential and industrial consumers, commodity issues and electricity services issues. The same respondent commented that the role of prosumers and their impact on the retail market should be taken adequately into account.

One respondent commented that CEER should consider that too much regulation of the supply market might be a barrier for competition.

It was suggested by individual respondents that CEER also considers as deliverables within this priority area:

- Smart gas metering for consumers and for gas systems
- The future role of gas at the retail market level and local energy systems - role of district heating and cooling and Smart Cities
- The roles of Energy Service Companies (ESCO) and aggregators
- Consumption data management and ownership, privacy and data security, and consumer access to data
- The investigation on the issue of what pushes energy, and in particular electricity. Bills up, to enhance transparency and provide a sound basis for future regulatory actions
- The monitoring of energy prices across Europe, and finding solutions for those European consumers which are paying higher energy prices due to the lack of integration with the adjacent Member States

One respondent suggested that the deliverables *Customer billing information – A Benchmarking Report on the implementation of Article 10 of the Energy Efficiency Directive* and *How can data best be managed in the energy markets? Case studies and a Benchmarking Report following CEER Advice on Data management for Better Retail Market Functioning in Electricity and Gas* should be streamlined as they seemed to involve a lot of overlap.

1.2.2 The role of Distribution System Operators

18 of the 25 respondents provided comments on this issue. Two respondents commented that this area of priority is relevant and useful, but not properly formulated in the WP. The respondents pointed towards a need for differentiating between Distribution System Operators (DSO) roles and DSO tasks. According to the respondents, DSOs do not need new roles, but a bigger toolbox to cope with the various challenges of a more decentralised energy system.



Several of the respondents stressed the importance of DSO remuneration schemes and network tariff structures. Coordination among Transmission System Operators (TSOs) and DSOs was also highlighted. Some of the respondents stated that the focus should be on analysing the DSOs' role, taking into account the potential benefits they can bring to customers and market players rather than focusing on the question of unbundling.

The treatment of data was mentioned as a relevant topic regarding the role of DSOs. One respondent suggested that definition of technical standards and common practices for the collection, treatment and access rights to the data should be developed on a European level. One respondent encouraged CEER to focus on influencing policy design to take into account the current data obstacles facing the growth of an effective demand response.

One respondent stated that it should be optional for consumers to support local balancing of the electricity network, and that the operators cannot decide themselves whether to switch on or off household appliances. Furthermore, there should not be any discrimination between households regarding participation in such systems.

One respondent felt that the deliverables under this priority area were less precise than the ones listed for the first priority area and suggested further detailing of the deliverables.

One respondent suggested that Electrical Vehicle infrastructure building and ownership issues be added as deliverables on this priority area.

1.2.3 New legislative/policy developments

19 of the 25 respondents provided comments on this priority area. Some respondents believed that this priority area will be particularly important given the current status and likely development of the 2030 Climate & Energy proposals over the coming months.

One respondent commented that the most added value of CEER's work is in the regulated sector, and therefore encouraged CEER to keep a focus on these areas.

One respondent noted that the deliverables related to this priority area, although relevant, could potentially overlap with the other priorities identified. For example, smart grids and tariffs could be directly linked to the role of DSOs, and it is not clear how the topic of consumer rights listed under this priority will result in different activities than the ones to be carried out under the first priority.

One respondent commented that consumer participation to electricity market and access to Demand Response is granted in the Article 15 (8) of the Energy Efficiency Directive. However, the respondent did not see this currently within the CEER plan. The same respondent strongly



encouraged CEER to monitor and track consumers' access to electricity markets and access to Demand Response markets.

One respondent stated that the implementation and enforcement of ongoing legislation also should be considered.

1.2.4 International work

10 of the 25 respondents gave comments on this issue.

Three respondents mentioned that it would be interesting for CEER to take advantage of the international experience of non-European countries that are more advanced on specific issues, such as demand response and smart meters.

One respondent commented that it is important that CEER continues its work in the framework of international relations, establishing strong bonds in particular with ICER and NARUC, and encourage these organisations to work closely with the industry.

One respondent stated that applying the same regulatory conditions in all EU countries must be the top priority.

1.3. Comments on individual deliverables

The table below provides an overview of the comments received to the deliverables that were presented in the public consultation on the draft CEER 2015 Work Programme in July 2014.

#	Sector and title of deliverable	Not important	Important	Very important	Further comments
	Consumer				
1	Position Paper on Retail Market Competition	1	9	9	The importance of a level playing field and Distribution System Operators (DSOs) as neutral facilitators of retail markets was stressed by several of the respondents. One stakeholder stated that the more regulation is applied the worse is the functioning of market competition.
2	Update of the 3-year rolling action plan for the implementation of the CEER-BEUC 2020 Vision	1	11	6	One respondent believed that it is important to consider national differences in retail energy markets, and stated that rather than detailed regulation, regulators should focus on rules that create a market with a level playing field and support customer focus, competition and innovation.
3	Customer billing	3	7	7	Two respondents commented that consumers'



#	Sector and title of deliverable	Not important	Important	Very important	Further comments
	information - A CEER Benchmarking Report on the Implementation of Article 10 of the Energy Efficiency Directive				access to billing and consumption data/information is important, but in the specific context of the market in the Member States. One respondent considered that monitoring of the Energy Efficiency Directive implementation as an issue for the Commission. One respondent pointed to a possible overlap with the deliverable <i>Case studies and benchmarking report following CEER Advice on Data Management for Better Retail Market Functioning in Electricity and Gas</i> .
4	Consumer protection and empowerment chapter of the ACER-CEER Market Monitoring Report	0	9	8	Two respondents recommended NRAs to ensure that the data used in the report are aligned with those used at national level. Two respondents commented that any data should be presented in an objective way, and that customers have no visibility about what they pay for, and why. They thus urge CEER and ACER to address this shortcoming in their report.
5	Status Review on the Implementation of CEER Guidelines of Good Practice on Price Comparison Tools	1	7	6	One respondent suggested introducing minimum standards and rules on the methodology that should be applied by all Price Comparison Tool (PCT). Two respondents commented that PCTs should be quality-proofed and proposed certifying these with a “trust mark” (label). One respondent stated that such price comparison tools should not block pricing innovation.
6	Benchmarking Report on (how to remove) Commercial Barriers to Supplier Switching in Retail Energy Markets	0	7	8	One respondent encouraged CEER to work on all barriers to supplier switching instead of narrowly focusing on commercial barriers.
7	Benchmarking Report on how to Remove Barriers to Entry in EU Retail Energy Markets	0	5	13	Several of the respondents stated that further unbundling is unnecessary. One respondent noted that the focus should be on identifying and reducing barriers to entry at the national level, rather than cross border level.
8	Case studies and Benchmarking Report following CEER Advice on Data Management for Better Retail Market Functioning in Electricity and Gas	1	6	10	Two of the respondents stated that the way data is made available to customers and used to create new services and products should be left open to the market to be sorted out. Two other respondents commented that they support the objective, but that the scoping is more relevant for electricity than gas.



#	Sector and title of deliverable	Not important	Important	Very important	Further comments
	Electricity				
9	CEER Status Review on the Treatment of Electricity Interconnectors and Neighbouring Generation in Capacity Remuneration Mechanisms (CRM)	1	7	5	One respondent stated that the evaluation should be guided by the targeted supply adequacy level so that inefficient over-capacities are not stimulated.
10	CEER Report on the Implications of Integrating Renewable Energy	1	6	11	Two of the respondents encouraged regulators to consider the implications of integrating renewable energy for the grid and electricity infrastructure.
	Gas				
11	Monitoring Report on the Implementation of Guidelines of Good Practice for Storage System Operators for Capacity Allocation Mechanisms and Congestion Management Principles - Follow up	4	2	4	One of the respondents encouraged CEER to ensure full alignment between its work on the Guidelines of Good Practice for Storage System Operators and the work regarding to the Ukraine crisis and the supply security plans.
12	Monitoring Report on the Implementation of GSE Transparency Template - Follow-up	3	5	4	One of the respondents commented that the transparency rules for storage operators are included in the Gas Regulation and that monitoring thereof is a responsibility of the respective NRAs.
13	Status Review of New Uses of LNG	2	5	3	One respondent commented that it is unclear what is meant by new uses of Liquefied Natural Gas (LNG), i.e. it is not clear whether CEER is referring to new services of LNG such as small scale services, or whether it refers to new uses such as transportation.
	Cross - sectoral				
14	CEER Report on the future role of DSOs	0	4	17	Several of the comments on the corresponding priority area were repeated. One respondent noted that the role of DSOs is important for the



#	Sector and title of deliverable	Not important	Important	Very important	Further comments
					electricity sector, but not so much for gas. Another respondent emphasised that the regulatory framework should draw a clear distinction between the roles of competitive and regulated players.
15	6 th Benchmarking Report on Quality of Supply	0	8	7	Four of the respondents pointed to the need to take into account differences across Member States. One respondent stated that the definition of security of supply should be clearer.



2. Conclusions

2.1. CEER evaluation of stakeholder comments

CEER appreciates the valuable suggestions and comments received. Given the reactions, we consider that our effort to set up a meaningful work plan for 2015 is generally endorsed by respondents.

Stakeholders strongly supported that the deliverables we have proposed appropriately address CEER's key priority areas.

The strong emphasis on consumer and retail market aspects in CEER's work received wide support. It was considered that the deliverables proposed correctly address consumer issues and were in line with the 2020 Vision to put consumers at the heart of the internal energy market.

Strong support was also received for including the role of DSOs as one of four priority areas. The comments concerned mainly DSO remuneration scheme and network tariff structures, unbundling issues, data handling and coordination among TSOs and DSOs.

CEER welcomes the support for its proposed work on new legislative/policy developments. Stakeholders' suggestions and comments will be considered as valuable input to CEER's analysis and reactions on new policy legislative developments.

Strong support was also received overall for CEER international work. Many stakeholders recognised the need for European regulators to forge links outside Europe with markets connected to our own, and also more widely to seek out and share good regulatory practices.

While stakeholders' comments signalled for energy regulators to go ahead with most of the proposals, some modifications have been made to the work programme in line with the main thrust of respondents' suggestions. Some deliverables will be picked up in later Work Programmes (2016 and onwards).

Some stakeholders wanted greater clarity in the division of responsibilities of ACER and CEER. As a voluntary regulators' association, CEER aims to complement the statutory tasks ACER is required to pursue. CEER undertakes complementary and often related activities of interest to regulators. We will continue to distinguish (in our WP and our ongoing activities) CEER's work from any related ACER responsibilities; making clear any cross-linkages or relevance between the two as needed. In order to provide as much clarity as possible, CEER has chosen to prepare its work programme broadly in parallel with that of ACER so that stakeholders can examine both.



CEER will publish an overview of its deliverables as part of the CEER Annual Report.

Consumers and retail markets

We agree with the suggestion, made by a number of respondents that we should focus on the basic elements for encouraging retail market competition, such as transparency and supplier switching. We have made proposals in this regard in the related consultation: “Energy Regulation: A bridge to 2025”. The ACER Conclusions Paper: “Energy Regulation: A Bridge to 2025 – Conclusions” published on 23 September 2014² includes proposals on these aspects as well as an aim to achieve 24 hour customer switching before 2025.

We agree with the proposals of a number of respondents that the role of the demand side should be facilitated. We have addressed this issue in the “Bridge to 2025” Conclusions Paper where a number of proposals are made for CEER, ACER and NRAs to undertake actions to facilitate a market in Demand Side Response (DSR) whilst also providing adequate protection and empowerment for consumers. This work will include an examination of data management.

We agree that regulated end user prices are inconsistent with the development of retail market competition and we will develop a roadmap to share good practice on how this practice can be phased out whilst protecting consumers in cases where adequate retail competition has not yet developed.

We agree with the suggestion that the cost components of customers bills should be transparent, including in respect of taxes and levies and we will examine ways in which bills can be standardised to facilitate consumers in making informed choices about switching supplier.

We note the comment that prosumers may have a significant impact on energy markets. We agree and will consider this issue in the context of our work on demand side response and DSOs.

The role of Distribution System Operators

We note the comment that DSOs need new tools, not new roles. We consider that the role of DSOs needs to be defined more precisely in the context of a changing market environment where new services are developing (including in relation to electric vehicles). We also consider that DSOs will need to develop new and more sophisticated tools to operate their networks efficiently. We will consider these issues.

² [Energy Regulation: A Bridge to 2025 Conclusions Paper, 23 September 2014.](#)



We agree with the comment that DSO tariff structures need to be considered.

We do not agree with the comment that DSO unbundling is not an important issue. In our view, effective unbundling of DSOs will need to be kept under review as the role of DSOs in network operation and data management becomes a more active one.

We note the comment that households should have individual choice on whether to participate in DSR schemes. In principle we agree and will consider further in the context of our work on this topic.

New legislative/policy developments

We welcome the support from respondents for CEER's ongoing work in this area. We note the comment that regulators should also focus of implementation and enforcement of existing legislation and CEER will continue to work with ACER on these aspects, for example in relation to CEER's contribution to the ACER Market Monitoring Report.

International work

We are pleased that most respondents who commented on this topic support CEER's international work. CEER will continue to interact with regulators internationally – both bilaterally with other regional bodies (such as with NARUC) and multilaterally through organisations such as ICER. We will continue to use these contacts to improve information exchange and share experiences.



3. Annex 1 – CEER

The Council of European Energy Regulators (CEER) is the voice of Europe's national regulators of electricity and gas at EU and international level. Through CEER, a not-for-profit association, the national regulators cooperate and exchange best practice within and beyond Europe's borders. CEER includes national regulatory authorities from 33 European countries (the EU-28, Iceland, Norway, Switzerland, FYROM, Montenegro and growing).

One of CEER's key objectives is to facilitate the creation of a single, competitive, efficient and sustainable EU internal energy market that works in the public interest. More specifically, CEER is committed to placing consumers at the core of EU energy policy. CEER believes that a competitive and secure EU single energy market is not a goal in itself, but should deliver benefits for energy consumers.

CEER works closely with (and supports) the [Agency for the Cooperation of Energy Regulators \(ACER\)](#). ACER, which has its seat in Ljubljana, is an EU Agency with its own staff and resources. CEER, based in Brussels, deals with many complementary (and not overlapping) issues to ACER's work such as international issues, smart grids, sustainability and customer issues. European energy regulators are committed to a complementary approach to energy regulation in Europe, with the Agency primarily focusing on its statutory tasks related to EU cross-border market development and oversight, with CEER pursuing several broader issues, including international and customer policies.

The work of CEER is structured according to a number of working groups and task forces, composed of staff members of the national energy regulatory authorities, and supported by the CEER Secretariat.

This report was prepared by the CEER's Work Programme Drafting Committee.



4. Annex 2 – List of Respondents

Organisation
BRITISH GAS
CEDEC
EDF ENERGY
EDSO FOR SMART GRIDS
ELMÜ NET LTD
EMETER, A SIEMENS BUSINESS UNIT
ENAGAS
ENERGY NETWORKS ASSOCIATION
ENERGY UK
ERDF (ELECTRICITE RESEAU DISTRIBUTION FRANCE)
EURELECTRIC
EUROGAS
EUROPEAN COPPER INSTITUTE
GDF SUEZ
GEODE
MILVUS BVBA
NATIONAL ENERGY OMBUDSMAN NETWORK (NEON)
OGP (THE INTERNATIONAL ASSOCIATION OF OIL & GAS PRODUCERS)
OPOWER
RWE GAS STORAGE
SADALES TIKLS AS
SWEDENERGY
THUGA AG
VATTENFALL AB