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**CEER**

**Council of European  
Energy Regulators**



Fostering energy markets, empowering **consumers**.

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**Final  
CEER 2015 Work Programme**

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## 1. Foreword

2014 is the year targeted for the completion of the European Internal Energy Market (IEM). The Council of European Energy Regulators (CEER), as the voice of Europe's independent energy regulators, has played a major role over many years to deliver the Internal Energy Market. That commitment remains.

CEER works closely with the Agency of the Cooperation of Energy Regulators (ACER). The work plans of both organisations are closely coordinated to ensure that each complements the other - for example in developing the strategy document "A Bridge to 2025" and its conclusions and deliverables. In this work programme, you will find several important deliverables clearly indicated as implementing the "Bridge" proposals and that will continue in future years.

Customers remain the central focus of both National Regulatory Authorities (NRAs) and CEER. Promoting competition is a central plank in safeguarding consumers' interests and in seeking to ensure that they benefit from competitive pressure on prices, better quality services and greater choice. The evolution of the market, particularly with the growing amount of (unprogrammable) renewable generation and with the introduction of smart technologies, will bring significant changes to the way customers are able to participate in the market. We shall work not only to ensure that consumers are properly protected but also are empowered so that they are able to adapt to such changes.

Our Annual Customer Conference provides an important opportunity to encourage the voice of consumers being heard at the heart of European policy making. Our 2020 Vision for Europe's Energy customers seeks out precise (and agreed) ways to achieve these ambitions. CEER remains committed to developing the Vision, and will identify other ways to enable customers and their representative bodies to contribute to decisions on market development.

The evolution of energy markets is placing greater demands on the framework of regulation as well as on regulators themselves. We shall continue to identify and develop good regulatory practices to help national regulators in a process of continuous improvement. We shall develop our training programme and will extend those courses to other regulators beyond the Union.

Indeed, an increasingly crucial role we envisage will be to review developments and practices in other regions around the world, notably as an active member of the International Confederation of Energy Regulators (ICER) and in our bilateral relations with other regulators and regional regulatory bodies.

A handwritten signature in black ink, appearing to read 'John Agg', written in a cursive style.

CEER President



## 2. Introduction

As an NRA-driven organisation, CEER develops best practice energy regulation, sharing experience and supporting NRAs in their work, including through training and workshops. Important priority areas include customer rights, fostering competitive markets, maintaining and strengthening our dialogue with regulators around the world, through which CEER aims to identify and exchange good international practices, and identify critical issues which may soon face the energy sector. In undertaking these activities, CEER pursues a broad variety of issues of interest to regulators.

In 2015, CEER will extend the internal services it provides for member NRAs by the further development of good regulatory practices. In addition, European energy regulators have identified that a longer term view on some developing issues, such as the impact of smart technologies on networks, would help with the organisation of an effective regulatory response. CEER will therefore also undertake analytical work examining key upcoming issues facing the energy sector, on which it will consult stakeholders.

European energy regulators also work within the ACER. Whereas ACER's tasks are derived from legislation, CEER is the European energy regulators' tool for addressing complementary issues, making policy recommendations and working horizontally. CEER is a platform for regulators to exchange good practices and experience with each other and with outside parties, for representing the collective interests of NRAs and for raising awareness of the principles of good regulation within the EU and beyond. From the very beginning, CEER's goal has been not only to react flexibly to new and future issues of energy regulation and the IEM, but also to contribute to the European policy dialogue through which such issues are shaped in the first place. CEER's Work Programme for 2015 has been subject to public consultation, and valuable feedback from in total 25 stakeholders has been taken into account in the current work programme.

In line with CEER's Guidelines on public consultation practices the stakeholders' comments will be made public alongside the final 2015 Work Programme. Comments received during the CEER Annual Customer Conference on 18 June 2014 are also taken account of in this Work Programme.



### **3. CEER follow up to the ACER Conclusions Paper “Energy Regulation: A Bridge to 2025”**

ACER published its Conclusions Paper “Energy Regulation: A Bridge to 2025”<sup>1</sup> on 23 September 2014, to which CEER was a major contributor, following an extensive consultation process. The conclusions document includes proposals for a number of regulatory measures including proposed actions for the European Commission, Member States, regulators themselves, and for energy market actors (also consumers). Some of the proposals fall to CEER to implement. Key amongst these are the following proposals:

- to enable the market to develop so that it encompasses flexible response;
- to ensure that the market for new service providers is not foreclosed by incumbents (notably monopoly Distribution System Operators (DSOs));
- to establish common criteria for a well-functioning retail market and develop a Roadmap aimed at competitive, reliable and innovative retail markets by 2025;
- to ensure that consumers continue to be properly protected as these changes occur;
- to give consumers further rights and tools to empower them to participate actively in energy markets (principally through the development of the CEER-BEUC Consumer Vision);
- together with ACER, to establish stakeholder panels, which include stakeholders and consumer representative bodies, so as to facilitate discussions on the future energy market developments in an holistic way (i.e. across gas and electricity, and across segments including wholesale, retail, networks, storage and supply); and
- to promote parallel treatment in the work of CEER to regulators of the third countries to reflect their participation in ACER, including in respect of access to training.

The CEER 2015 Work Programme includes deliverables which relate to immediate priorities flowing from the “Bridge to 2025” Conclusions Paper. Subsequent CEER Work programmes will incorporate medium and longer term priorities which flow from the “Bridge to 2025” document.

In addition, the availability of NRA resources to undertake this work (also keeping in mind the efforts of NRA staff within ACER working groups) has been taken into account. Finally, changing circumstances in the energy sector may evolve over the coming year, and this may influence the way CEER prioritises planned work for 2015.

For more information about CEER and our work, please visit our website [www.ceer.eu](http://www.ceer.eu)

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<sup>1</sup> [Energy Regulation: A Bridge to 2025 Conclusions Paper, 23 September 2014.](#)



## 4. Our priorities in 2015

CEER will continue to concentrate on enhancing the capability of EU NRAs to fulfil effectively their individual European responsibilities for achieving a **competitive, sustainable and secure energy market in Europe**. CEER will continue to engage fully with policy makers to help in the development of a sound and sustainable single European energy market. CEER will enhance collaboration between member NRAs to share experiences, and to identify good regulatory practices. In 2015, CEER will develop further the internal services it provides for its members, particularly in relation to the provision of training.

CEER's priorities for 2015 will continue to emphasise the increasing role that customers will play in the development of energy markets. In this context, we will examine the changing role of DSOs, the development of new services offered to consumers, key issues in valuing flexibility and demand response and the encouragement of consumer and retail market competition. CEER will monitor the developments concerning security of supply and respond to any development.

We will also continue to develop our international relations with regulators across Europe and globally.

### 4.1 Consumers and retail markets

Consumer work will continue to be a priority in 2015. Importantly, we are enhancing our commitment to markets and consumer rights with a focus on delivering the benefits of competition and a fully functioning Internal Energy Market to all consumers.

Building on the analysis in the ACER public consultation paper "A Bridge to 2025" as well as CEER's work to - date on tools to improve market functioning from a consumer perspective, we want to stimulate a strategic debate on consumer and retail market competition; how it should work, what are its key components and what can be done if it is not functioning properly. As part of these reflections, we will undertake monitoring (in coordination with ACER) of the implementation of consumer rights and the functioning of European retail markets; identify barriers to retail market entry and find good practices to eliminate them; help consumers engage in the market by developing the 2020 Vision for Europe's energy customers in line with the outcome of the ACER public consultation paper "A Bridge to 2025"; and enhance the effectiveness of consumer organisations' involvement in the regulatory process. We will consider the scope for the further integration of retail markets at regional and European level.

CEER's initiative of building a 2020 Vision for Europe's energy customers is aimed at putting consumers at the heart of the IEM. In 2015, we will develop the 2020 Vision further through our work on practical actions on how the future regulatory framework might evolve to enable market



developments across Member States.

We 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 an important part of a 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.

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 reports. This customer focus will naturally continue in 2015 and will develop further as our consumer vision is enhanced and implemented.

## **4.2 The role of distribution system operators**

Clarifying the future role of DSOs in anticipation of current retail and wholesale market developments will be a priority for 2015. In 2014, CEER developed its thinking on this horizon issue and contributed to the ACER public consultation paper "A Bridge to 2025" which considers a wide range of changes that will impact Europe's energy market in the coming years. Among the changes foreseen are those resulting from greater penetration of Renewable Energy Sources (RES), smart grid technology, smart meters, and increasing levels of demand side response. The "Bridge to 2025" Conclusions Paper considers a number of key regulatory issues for this area. These include the development of a market framework for distributed energy resources for electricity and gas; whether the current level of DSO business separation is sufficient to allow the entry of new service providers; the level of coordination between Transmission System Operators (TSOs) and DSOs; and the treatment of increased levels of data. CEER kicked off its analysis of such questions by launching a public consultation on the future role of DSOs in December 2014. This work will serve as the point of departure for developing regulators' thinking in this area.

## **4.3 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 and 2030 Climate and Energy proposals), when such proposals arise. We also remain committed to working with and advising the European Institutions on regulatory aspects in a number of areas, including flexibility, tariffs, retail markets, smart grids and consumer rights.



#### **4.4 International work**

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. In respect of energy it is important that the energy (legislation) acquis is fully understood and good regulatory practices are in place if a smooth transition is to be assured. CEER is active in developing relations with non-EU regulatory associations (such as the Energy Community, MEDREG, NARUC and ICER), through regional programmes such as the Eastern Partnership, through bilateral ties, and in relevant cases, by direct participation in CEER. Such networking and cooperation also provides the basis for identifying areas of common ground where a mutual field of interest can be explored to the benefit of all parties. In May 2015, the WFER VI (World Forum on Energy Regulation) will take place in Istanbul, Turkey. CEER is supporting the regulatory hosts in building the programme for this signature event on energy regulation issues.

Strengthening the cooperation of CEER with these institutions will continue to be a priority area.



## 5. CEER Work Programme 2015

#	Sector	Title	Description	Timeline*					
				2014	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016
1	Consumer and retail markets / Bridge related	Position Paper on Competitive Retail Markets	Retail market competition is at the heart of the 2020 CEER Vision for Europe's energy customers. This strategic/high level paper will develop CEER's views on what characterises a well-functioning retail market and what can be done to deliver actual competition in practice, to the benefit of energy customers. It will follow up regulators' reflections in the ACER's "Bridge to 2025" as well as the European Commission's Communication on energy retail markets and build from previous work such as the retail and consumer sections of ACER-CEER Market Monitoring reports.	Start			PC	PH	End
2	Consumer and retail markets / Bridge related	3-year rolling action plan for the implementation of the CEER-BEUC 2020 Vision	NRAs through CEER will further develop the RASP principles into practical actions as to how the future regulatory framework might evolve to enable retail market developments across Member States while continuing to protect and empower consumers. This involves a well-functioning retail market and more active participation by smaller consumers. The deliverable will be used as an input to the Annual CEER Consumer Conference.	Start		LF	End		



#	Sector	Title	Description	Timeline*						
				2014	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016	
3	Consumer and retail markets / Bridge related	Consumer protection and empowerment chapter of the ACER-CEER Market Monitoring Report (MMR)	As part of the ACER-CEER MMR, this chapter will look into the functioning of retail markets from the customer perspective. It will be based on the results of monitoring the retail energy markets on topics such as complaint handling, switching and billing processes, customer information and protection of vulnerable customers. The aim is to identify market distortions through monitoring of the processes and outcomes of the retail energy market. A specific focus in 2015 will be on billing information for customers without a smart meter. This deliverable can also provide input for the process of harmonisation at European level.	Start			WS End			
4	Consumer and retail markets / Bridge related	Benchmarking Report on (how to remove) Commercial Barriers to Supplier Switching in Retail Energy Markets	Practices in energy retail markets differ significantly between Member States. In some cases, we see that in theory supplier switching is easy and effortless, but in practice energy customers are confronted with many barriers when they want to switch suppliers or even contracts, therefore not allowing for real competition between energy suppliers. We want to examine the evidence of these de facto barriers to switching, evaluate their impact on customer perception and on market dynamics.		WS Start			PC	End	
5	Consumer and retail markets / Bridge related	Benchmarking Report on Removing Barriers to entry for Energy Suppliers in EU Retail Energy Markets	The report aims to build on previous work to identify barriers to entry for energy suppliers into retail gas and electricity markets across EU, and to identify actions NRAs are taking or envisage taking to remove these barriers. The report will, where relevant, include the impact of regulated end-user prices. Barriers at both national and cross-border levels will be considered.		WS Start			End		



#	Sector	Title	Description	Timeline*						
				2014	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016	
6	Electricity / Bridge related	Implications of the Energy and Environment State Aid Guidelines on the market integration of renewable energy	This paper will consider consequences of the new Energy and Environment State Aid Guidelines in the context of renewable energy, namely on market integration, the bidding/auctioning processes, the new tariff scheme (feed-in replaced by premium), costs and benefits of the new support schemes, and cooperation mechanisms.		Start				End	
7	Electricity / Bridge related	Scoping of flexible response	In the ACER's "Bridge to 2025", EU energy regulators committed to defining the concept of "flexible response" and developing an action plan for removing the various barriers to its development and to demand side response in particular. This work will explore the ways in which wholesale markets value flexible response, including potential interactions with capacity mechanisms and balancing markets. It will identify current barriers and investigate the necessary arrangements to facilitate demand response. Scoping will be carried out in a joint Task Force with ACER.	Start					End	
8	Gas / Bridge related	CEER Position on Security of Supply Regulation Review	Prepare regulators' input to Security of Supply (SoS) proposals of the European Commission, including possible developments concerning strategic storage.		Start	WS			End	
9	Gas	Monitoring Report on the Implementation of the Guidelines of Good Practice for Storage System Operators (GGPSSO) for Capacity Allocation Mechanisms (CAM) and Congestion Management Principles (CMP) and the GSE Transparency Template	In 2011, CEER published GGPSSO for CAM and CMP. As a next step, GSE prepared an implementation plan and SSOs started the implementation. CEER will monitor the implementation of the GGPSSO in 2015. In addition, in 2013, GSE drafted - in close cooperation with CEER - a Transparency Template. The 23 <sup>rd</sup> Madrid Forum invited CEER to monitor the implementation of the Template. The work on those issues was already started in 2014 and the final Monitoring Report will address both of those issues.	Start	End					



#	Sector	Title	Description	Timeline*					
				2014	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016
10	Gas / Bridge related	Comparing the efficiency of flexibility from storage to hubs	The report on the role of storage in the security of supply context will be followed up by looking at specific types of storage use and the attractiveness in the overall gas market. Comparison of hub intraday market with storage as flexibility tool: price comparison, and regional comparison. We will seek to conduct analysis as far as possible jointly with GSE.			Start		End	
11	Gas / Bridge related	LNG's role to improve regional Security of Supply	Main 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 alternative to pipeline development.		Start		WS	End	
12	Gas / Bridge related	Pilot Project on implementation of the Gas Target Model (GTM) update according to ACER's "Bridge to 2025" approach to further integrate gas markets	Implementation the recommendations of the GTM update and, identifying possible regulatory hurdles and report on their experience; to be conducted in close cooperation with ACER.		Start				End
13	Cross-sectoral / Bridge related	CEER Advice on the Future Role of DSO	This paper begins with the public consultation launched in December 2014 and seeks to develop the DSO-related themes in the ACER's "Bridge to 2025" document. It reveals how we as regulators propose to deal with the changing environment for DSOs and consumers and poses a number of key questions. The intent is to gather stakeholders' views on our thinking and on the way forward in the areas in which we ask particular questions.	Start		End			



#	Sector	Title	Description	Timeline*						
				2014	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016	
14	Cross-sectoral	6 <sup>th</sup> Benchmarking Report on Quality of Supply	The report aims to present an overview and analysis of current practices in CEER member countries, as well as an assessment of areas where a move towards harmonisation could further improve quality of supply and consequently electricity and gas markets. The work carried on this deliverable will be divided into 5 parts (sub-deliverables): (i) Continuity of Supply (electricity); (ii) Voltage Quality; (iii) Commercial Quality; (iv) Gas Quality; and (v) Losses.		Start				End	
15	Cross-sectoral	CEER Status Review on the Implementation of DSO and TSO Unbundling Provisions in the 3 <sup>rd</sup> Package	This report serves as an update to the 2014 report and seeks to provide a status report on the transposition and implementation of TSO, DSO and Closed Distribution Operator certification / unbundling rules in the 3 <sup>rd</sup> Package.		Start				End	

\* The timelines displayed here show the forecast plan for 2015 at the time of publication of this document. For updated indications, please refer to the monthly CEER electronic newsletter.

\* Start and End refers to when work on the deliverables are planned to be done

- WS = Workshop
- PC = Public consultation
- PH = Public hearing
- LF=London Forum