Joint Training Course

Introduction to Fundamentals of Energy Regulation

Council of European Energy Regulators (CEER)
Securex Building
Cours Saint-Michel 30a
1040 Brussels

7-11 April 2014

Introduction

The Council of European Energy Regulators together with the Florence School of Regulation have developed a course to respond to the need of regulators to train their new staff. Lord Mogg, CEER President, and Jean-Michel Glachant, FSR Director, will co-direct the course.

This unique course brings together senior regulatory expertise, in-depth knowledge of the sector and the profession and the Florence School’s rigorous academic understanding of regulatory principles to provide participants with a thorough introduction to the core rules and tools for staff of regulatory authorities involved in the electricity and gas sectors. By combining practical on-the-job experience with academic groundings the course seeks to build the operational understanding and capacity of regulatory staff. The course provides different perspectives and experiences on energy regulation by involving each day instructors who will explain both the principles and practices of energy market regulation.

Each day of the training will be composed of two sessions of three hours each. Each session will involve two speakers: the first speaker will cover the main principles; the second one will focus on practices. Each speaker will deliver a presentation, followed by a Q&A session.
Programme

Monday 7 April  

10:00 – 10:15  Introduction of the course  
Koen Locquet | CREG

10:15 – 10:45  Principles  
General objectives of the regulatory authorities (Regulation)  
Core duties and powers (to set methods or tariffs; define access conditions to the grids; carry out inspections and investigations; impose sanctions; issue penalties; issue binding decisions; monitor markets, etc.)  
- Why is sectoral regulation of energy markets necessary?  
- What is the role of NRAs at EU-Level (CEER) and within ACER?  
Adeline Lassource | Entso-e

10:45 – 11:30  Q&A

11:30 – 11:45  Coffee break

11:45 – 12:15  Practices  
On the basis of a case study, participants are asked to react and participate in a discussion to share experiences  
Aude Le Tellier | CRE

12:15 – 13:00  Q&A

13:00 – 14:00  Lunch break

14:00 – 14:30  Principles  
- Electricity and gas markets  
- Why do we need markets in regulated utilities (gas/electricity/finance/healthcare/education)?  
- Why do we need European-wide markets (gas/electricity/bakery/TV/cars)?  
- Does a gas market industry already exist somewhere in the world and can we copy it?  
  Does one also already exist for electricity?  
- Why should the gas and electricity industries use the same market design?  
Jean-Michel Glachant | FSR

14:30 – 15:15  Q&A

15:15 – 15:40  Coffee break

15:40 – 16:10  Practices  
Transition in the application of the 2nd to the 3rd Energy package for electricity in the Netherlands: Was it necessary? What was not working well and what has since improved?  
Mathieu Fransen | ACM

16:10 – 17:00  Q&A
EU energy regulation and energy policy: the institutions and actors

09:00 – 09:30  
**Principles**

EU institutions
- Who defines EU energy policy? Member States or European Institutions? How is EU legislation developed? What are delegated and implementing acts?
- Which European institution is the key to defining energy policy? The Commission? The European Parliament? The Council?
- What can the European Court bring to EU energy policy?

**Adrien de Hauteclocque** | Court of Justice

09:30 – 10:30  
**Q&A**

10:30 – 10:50  
**Coffee break**

10:50 – 11:20  
**Principles**

European actors
- Who are the key actors for EU energy policy? Industry? Lobbyists? Government? European Commission?
- Why were European bodies like the ENTSO and ACER created? Who are they?
- How does the Commission interact with all these actors?

**Jean-Arnold Vinois** | EC

11:20 – 12:20  
**Q&A**

12:20 – 13:20  
**Lunch break**

Introduction to the European legal framework for energy: logic and dynamics (Part 1)

13:20 – 13:50  
**Principles**

General laws constraining the legal energy and renewables domain
- What is the role of EU energy law in the European legal order?
- What makes up EU energy policy?
- Are there any overlaps, tensions or conflicts between EU energy policy and other EU policies?

**Małgorzata Sadowska** | FSR

13:50 – 14:50  
**Q&A**

14:50 – 15:10  
**Coffee break**

15:10 – 15:40  
**Practices**

Examples of utility mergers:
- GDF and Suez: DG COMP together with CREG
- E.ON/Endesa and Enel/Acciona/Endesa case: Spanish regulator

**Maria-Isabella Detand** | CREG  
**Eduardo Salinas** | CNMC

15:40 – 16:40  
**Q&A**
**Wednesday 9 April**

**Introduction to the European legal framework for energy: logic and dynamics (Part 2)**

09:00 – 09:30  
**Principles**  
The legal order for energy and renewables policy  
- What are the different areas of EU energy law?  
- What are the main flaws of EU energy law?  
  Nicole Ahner | TenneT

09:30 – 10:30  
Q&A

10:30 – 10:50  
**Coffee break**

10:50 – 11:20  
**Practices**  
Interactions between renewable energy support and markets  
- How do support schemes work?  
- How do policies on renewables affect markets and regulation?  
- How to reconcile competition aims with climate change objectives and policies?  
- What role for the regulator?  
  Denis Cagney | CER

11:20 – 12:20  
Q&A

12:20 – 13:20  
**Lunch break**

**Electricity Markets**

13:20 – 13:50  
**Principles**  
Electricity markets  
- Do we really buy/sell electricity into the grid or in an electricity market?  
- Why do we have several electricity markets like day-ahead, intraday and balancing markets?  
- Why do we couple or split our wholesale markets?  
- Are electricity markets really European or only national?  
  Marcelo Saguan | Microeconomix

13:50 – 14:50  
Q&A

14:50 – 15:10  
**Coffee break**

15:10 – 15:40  
**Practices**  
How is Europe’s electricity wholesale market designed  
- What is Europe’s electricity target model?  
- Why pursue an integrated, interconnected electricity network?  
- How are regulators contributing to shaping and delivering the internal energy market (network codes, etc.)  
  Sven Kaiser | E-Control

15:40 – 16:40  
Q&A

20:00  
**Dinner**
Thursday 10 April

Electricity grids

09:00 – 09:30 Principles
Electricity grids including renewables
- Why regulate electricity grids in a competitive market?
- Are EU electricity grids really European or only national?
Leonardo Meeus | FSR and Vlerick Business School

09:30 – 10:30 Q&A

10:30 – 10:50 Coffee break

10:50 – 11:20 Practices
Regulating natural electricity monopolies
- How do regulators build electricity grid access tariffs?
- How do they approve an investment plan?
- How are renewables and technology changing the way grids work and are regulated?
Alexander Luedtke-Handjery | BNetzA

11:20 – 12:20 Q&A

12:20 – 13:20 Lunch break

Gas Grids

13:20 – 13:50 Principles
Gas grids
- Why regulate gas grids in a competitive market?
- Are the EU gas grids really European or only national?
Nico Keyaerts | FSR

13:50 – 14:50 Q&A

14:50 – 15:10 Coffee break

15:10 – 15:40 Practices
Regulating gas monopolies
- How do regulators build gas grid access tariffs?
- How do they approve an investment plan?
Tom Maes | CREG

15:40 – 16:40 Q&A
**Gas markets**

**09:00 – 09:30  Principles**
Gas markets
- Do we really buy/sell gas into the grid or in a gas market?
- Do gas markets have the same features as in electricity: e.g. day-ahead, intraday and balancing markets? How is gas different from electricity?
- Why do we regulate entry and exit in our EU gas market?
- Are the gas markets really European or only national?

Michelle Hallack | UFF

**09:30 – 10:30  Q&A**

**10:30 – 10:50  Coffee break**

**10:50 – 11:20  Practices**
How is Europe’s gas wholesale market designed
- What is the gas target model?
- What is the regulators’ role in shaping and delivering the internal energy market (network codes, etc.)
- What role for gas in the future?

Tom Maes | CREG

**11:20 – 12:20  Q&A**

**12:20 – 13:20  Lunch break**

**Retail markets and customer protection**

**13:20 – 13:50  Principles and practices**
Retail markets
- What should competitive markets mean for energy consumers (e.g. choice, reliability, flexibility)? How can consumers participate?
- How are prices determined?
- What role for regulators in retail markets?

Customer policy
- Is there a need for a “regulation” of energy consumer issues?
- What are the relevant provisions in the 3rd Package on consumer issues? How have NRAs implemented them?
- What is energy poverty? What can be done by NRAs?
- What role for regulators in consumer protection?

Neil Barnes | Ofgem

**13:50 – 15:00  Q&A and closing**
<table>
<thead>
<tr>
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<th>Title and Organization</th>
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<tbody>
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Commission pour la Régulation de l’Electricité et du Gaz (CREG), Belgium

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Authority for Consumers and Markets (ACM), The Netherlands

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Adjunct Professor, Federal Fluminense University (UFF), Brazil

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European Advisor to Ofgem and President of CEER