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ELEKTRIZITÄTSUNTERNEHMEN  
ÖSTERREICHS

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Ihr Zeichen	Ihre Nachricht vom	Name	DW	Datum
		Dipl.-Volksw. Alexandra Neumann/Ha	211	19.12.2008

**Re: Public Consultation: Implementing the third energy package – An initial consultation paper by the European Energy Regulators, 21 October 2008  
Comments by VEÖ, Austria**

Dear Madam,  
Dear Sir,

the Association of Austrian Electricity Companies (VEÖ) appreciates the opportunity to comment on the recent ERGEG consultation paper: Implementing the third energy package, 21 October 2008. VEÖ represents more than 130 energy companies active in generation, trading, transmission, distribution and retail which in total cover more than 90 per cent of the Austrian electricity generation and entire Austrian distribution.

With a view to a well functioning single European energy market VEÖ would like to underline the necessity of clearly defined roles and responsibilities of all parties involved. Any legislation should primarily be assigned by the market needs and accepted by market participants as they will bear the consequences, weal and woe. To ensure an appropriate framework for European energy supply regulatory competences should be set at the relevant levels and any measures should avoid overlapping and unnecessary delays to encourage market development and integration. Against this background VEÖ addresses two key principles to be respected:

VEÖ stresses the importance of the stakeholder consultation process which should be seen as the key tool to make the decision-making process of regulatory bodies more consistent according to market realities. Only stakeholders' participation can assure that market development will be driven by market needs and that the process will be effectively conducive to market integration in a timely manner.

Market stakeholders must be institutionally involved at the beginning of the process. That means stakeholder involvement has to take place at the stage of drafting regulatory documents and not only for their revision of a pre-final document.

VEÖ considers the principle of a standing market panel to be a proper solution to facilitate a balanced and efficient consultation process and to reflect market users' needs the best.

VEÖ calls for a balanced governance process. It is primarily important to find a proper equilibrium between rule making and supervision and to ensure that no entity finds itself in a position of a judge and a party at the same time. We therefore consider a clear distinction between competencies of NRA and ACER to be very necessary in order to achieve progress for improving the internal market.

ACER's responsibility should focus only on European, supra-national and in particular cross-border network regulatory issues (e.g. harmonization of market rules and TSO co-operation). ACER should encourage European ahead of regional market integration, should be responsible for coordinating and supervising the co-operation of national regulatory authorities on European and regional level and should lay down principles of better regulation across EU energy markets. Considering the strongly varying implementation speeds of the regions, a supra-regional approach will be necessary in order to avoid market fragmentation between regions.

We hope these brief comments are helpful for your work on this important issue.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'B. Schmidt', with a small mark above the 't'.

Barbara Schmidt  
Secretary General  
Association of Austrian Electricity Companies