

CEER-FSR JOINT TRAINING COURSE

INTRODUCTION TO FUNDAMENTALS OF ENERGY REGULATION

Course Directors:	Ilaria Conti Head of FSR Gas Area, Florence School of Regulation/RSCAS/EUI Koen Locquet CREG Acting President, CREG/CEER
Training Coordinators:	Marina Cascella Florence School of Regulation/RSCAS/EUI Anh Tran Training Manager, CEER
Course Advisors:	Jean-Michel Glachant Director, Florence School of Regulation/RSCAS/EUI Margot Loudon Member of CEER Training Academy Advisory Board
Course Location:	CEER – SECUREX BUILDING 30A, COURS SAINT-MICHEL – 1040 BRUSSELS
Course Date:	MONDAY 30 NOVEMBER - FRIDAY 4 DECEMBER 2020

- **Module 1: “EU Energy Regulatory Framework and Policy”, 2 days, from Monday 30th November to Tuesday 1st December 2020.**
- **Module 2: “European Electricity and Gas Market Regulation”, 3 days, from Wednesday 2nd to Friday 4th December 2020.**

■ INTRODUCTION

The Council of European Energy Regulators (CEER) and the Florence School of Regulation (FSR) are delighted to announce a unique joint course called “Introduction to Fundamentals of Energy Regulation”, to be held in the CEER’s office in Brussels on **30 November-4 December 2020**. This CEER-FSR course is focused on explaining the fundamentals of EU energy policy and regulation, building on similar successful courses held in previous years. The course is ideally suited for newer staff members within National Regulatory Authorities (NRAs), European Institutions and other public authorities.

The CEER-FSR course will comprehensively explain the key aspects of EU electricity and gas regulation, including the latest developments, both theory and practice, across the energy cost chain from wholesale markets through to networks and retail issues. Attendees will be provided with a clear understanding of the economic and legal frameworks that have developed in European energy regulation, including an explanation of the main institutions and participants involved.

The course brings together the FSR’s rigorous academic understanding of regulatory principles along with the CEER’s senior regulatory practical knowledge and expertise. By combining

academic groundings and practical on-the-job regulatory experience, the course seeks to build the operational understanding, capacity and tools for newer NRA staff members, which they can then apply in their work.

The course is co-directed by Koen Locquet, Acting President of CREG and Ilaria Conti, Head of FSR Gas Area. The course comprises of two standalone - but related – modules, as follows:

- Module 1: “EU Energy Regulatory Framework and Policy”, 2 days, from Monday 30th November to Tuesday 1st December 2020; and,
- Module 2: “European Electricity and Gas Market Regulation”, 3 days, from from Wednesday 2nd December to Friday 4th December 2020 inclusive.

Attendance at both modules is recommended, though they are designed such that participants can gain value by attending just one module if they wish.

The detailed training programme for both modules of the course is shown next. As can be seen, each day will be composed of two sessions of circa three hours each. Each session will involve two speakers: the first speaker will cover the main principles and the second will focus on practices. Each speaker will deliver a presentation, followed by a Q&A session, aiding interaction and understanding among course attendees. In addition, the first day of Module 2 includes a field trip, providing participants the opportunity to learn of the need for pan-European TSO operational coordination and infrastructure (including IT systems) to perform operational coordination activities.

▪ PROGRAMME

MODULE 1 (2 DAYS, 30 NOVEMBER - 1 DECEMBER 2020): EU ENERGY REGULATORY FRAMEWORK AND POLICY

Monday, 30 NOVEMBER - *EU energy regulation and energy policy: the landscape*

10:30 – 11:00	<p>Introduction of the course. Tour de table introduction of participants and their course expectations. Koen Locquet CEER/CREG Ilaria Conti FSR/RSCAS/EUI</p>
11:00 – 12:15	<p>Principles</p> <p>Overview of electricity and gas markets:</p> <ul style="list-style-type: none"> • A brief introduction to the physics of energy • The role of markets and regulation in the electricity and gas sectors • A brief history of utility regulation • The liberalisation of the energy sector: introducing competition in a traditionally vertically-integrated monopolistic set-up • Should gas and electricity markets be similarly designed? <p>Alberto Pototschnig FSR/RSCAS/EUI</p> <p>Q&A / Group work</p>
12:15 – 13:15	LUNCH BREAK
13:15 – 14:30	<p>Practices</p> <p>Energy regulation explained:</p> <ul style="list-style-type: none"> • What is an energy regulator and why do we have them? • General objectives of the regulatory authorities (Regulation). • Core duties and powers of regulators, including new ones in the EU Clean Energy Package. <p>Koen Locquet CEER/CREG</p> <p>Q&A / Group work</p>

EU energy regulation and energy policy: the institutions, actors and forms of cooperation

14:30 – 16:00	<p>Principles</p> <p>European Security of Supply Policy:</p> <ul style="list-style-type: none"> • Achieved targets and future challenges • EU Energy diplomacy and external relations: what we did right, what we did wrong <p>Jean-Arnold Vinois Jacques Delors Institute</p>
---------------	---

Q&A / Group work

16:00 – 16:15

COFFEE BREAK

16:15 – 17:45

Practices

European cooperation:

- Introduction to CEER and ACER, their composition, roles/activities and Processes.
- Introduction of some basic concepts and terms (Network Codes, 3rd Energy Package, Clean Energy Package).
- Introduction to ENTSOs – their role and functioning.

Anh Tran | CEER

Group work based on a quiz.

17:45 – 18:00

Wrap-up of 1st day.

Alberto Pototschnig | FSR/RSCAS/EUI

18:00 – 19:00

WELCOME DRINK AT THE END OF THE DAY – CEER OFFICE

Tuesday, 1 December - Introduction to the European legal framework for energy: logic and dynamics

09:00 – 09:20

Group activity

09:20 – 10:50

Principles

The EU regulatory framework for energy: from the origins until today

- The “pillars” of EU energy policy
- The way towards a decarbonised energy sector
- The ongoing reform of the gas sector and future perspectives

Ilaria Conti | FSR/RSCAS/EUI

Q&A / Group work

10:50 – 11:10

COFFEE BREAK

11:10 – 12:40

Practices

Impact of the evolution of the regulatory framework:

- Implementation of the 3rd Energy Package in Greece: What has been achieved? Where is the Greek energy market today?

Evangelia Gazi | CEER/RAE

Q&A / Group work

12:40 – 13:40

LUNCH BREAK

13:40 – 15:10

Principles

Regulation of renewable energy and energy efficiency:

- Key EU legislative acts (renewable energy and energy efficiency directive, the Clean Energy Package).
- Impact of European renewable policy on security of supply.

Nicole Ahner | Florence School of Regulation Advisor

Q&A / Group work

15:10 – 15:30

COFFEE BREAK

15:30 – 17:00

Practices

Competition policy and the transition to a more sustainable energy system:

- The relationship between competition law and energy regulation. How do they interact with each other? How does competition law promote the transition to a more sustainable energy system?

Maria Eugenia Leoz Martin-Casallo | European Commission

Q&A / Group work

17:00 – 17:15

Wrap up, conclusions of Module 1 and deliverance of certificates to participants of Module 1.

Anh Tran | CEER

Ilaria Conti | FSR/RSCAS/EUI

19:00 – 21:00

GROUP DINNER

MODULE 2 (3 DAYS, 2-4 DECEMBER 2020): EUROPEAN ELECTRICITY AND GAS MARKET REGULATION

Wednesday, 2 December - Retail markets and customer protection and visit to a TSO regional operational coordination centre in Brussels

09:00 – 09:20 Tour de table introduction of participants of Module 2 and their course expectations.

Ilaria Conti | FSR/RSCAS/EUI

09:20 – 10:50 Principles and practices

Retail markets

- What should competitive markets mean for energy consumers (e.g. choice, reliability, flexibility)? How can consumers participate?
- What role for regulators in retail markets?

Vasant Bhoendie | CEER/ACM

Q&A / Group work

10:50 – 11:10 **COFFEE BREAK**

11:10 – 12:40 Principles and practices

Customer policy

- Is there a need for a “regulation” of energy consumer issues?
- What are the provisions in the still relevant 3rd Package on consumer issues and what is the new Electricity Directive about?
- What is energy poverty? What can be done by NRAs?
- What role for regulators in consumer protection?

Natalie McCoy | CEER/ERSE (tbc)

Q&A / Group work

12:40 – 13:40 **LUNCH BREAK**

14:00 – 16:30 *Visit to a TSO regional operational coordination centre in Brussels.*

Participants will have a chance to learn of the need for pan-European TSO operational coordination and infrastructure (including IT systems) in place to perform operational coordination activities.

Thursday, 3 December - *Electricity and Gas Markets*

09:00 – 09:20 Group activity

09:20 – 10:50 Principles

Electricity markets:

- The energy supply chain from production to distribution. Do we really buy/sell electricity into the grid or in an electricity market? What is the relationship between network capacity and electricity markets? What is the importance of balancing and imbalance?
- 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?

Tim Schittekatte | FSR/RSCAS/EUI

Q&A / Group work

10:50 – 11:10 **COFFEE BREAK**

11:10 – 12:40 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 (and what do the network codes do)?

Barry Hussey | CEER/CRU

Q&A / Group work

12:40 – 13:40 **LUNCH BREAK**

13:40 – 15:10 Principles

The gas market picture:

- The landscape of today's gas market globally: main actors, structural dynamics, market and regulatory challenges.
- How is gas traded, transported and supplied in Europe? Progress achieved, scale of investments.
- LNG, storage and other market "flexibility tools".

Aad Correljé | Clingendael International Energy Programme (CIEP) and TU Delft

Q&A / Group work

15:10 – 15:30 **COFFEE BREAK**

15:30 – 17:00 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?

Beatriz Moreno | CEER/CNMC

Q&A / Group work

17:00 – 17:15

Wrap-up of 2nd day of Module 2.

Ilaria Conti | FSR/RSCAS/EUI

Friday, 4 December - Electricity grids and gas grids

09:00 – 10:30

Principles

Electricity grids in the age of the three Ds:

- Overview of the electricity grids in Europe.
- Why do we regulate electricity grids?
- How do we regulate electricity grids?
- Are transmission grids in the EU truly European or mainly national?
- Digitalisation of the distribution grid: from pipes to platforms?

Nicolò Rossetto | FSR/RSCAS/EUI

Q&A / Group work

10:30 – 10:50

COFFEE BREAK

10:50 – 12:20

Principles

Gas grids:

- Overview of gas grids. What are the differences with electricity grids?
- Why regulate gas grids in a competitive market?
- Are the EU gas grids really European or only national?

Nico Keyaerts | Formerly FSR/ACER

Q&A / Group work

12:20 – 13:00

LUNCH BREAK

13:00 – 14:45

Practices

Regulating natural electricity and gas monopolies:

- How do regulators design electricity and gas grid access tariffs?
- How do they approve an investment plan? How do incentives work?
- How are renewables and technology changing the way grids work and are regulated?

Group work exercise based on a tariffs case study. Group work presentation.



Johan Allonsius (tbc) | CREG

14:45 -15:00

Wrap up and deliverance of certificates to participants of Module 2.

Ilaria Conti | FSR/RSCAS/EUI

Anh Tran | CEER