

Decision Selection Committee ENERGY TRANSPARENCY AWARD 2011

Transparency is a necessary condition for the efficient functioning of energy markets. Transparent market rules, transparent infrastructure access criteria, transparent operation of energy systems and transparent regulatory procedures are indispensable to ensure a level playing field and efficient market outcomes.

The “Energy Transparency Award”, assigned every year by the Florence School of Regulation, distinguishes a company or institution for their particular contribution to the transparency of energy markets in Europe. Promoting the economic and technical efficiency of European energy markets through improved transparency is the main purpose of the “Energy Transparency Award”.

The ETA process is financed by a fund managed by the Florence School of Regulation according to the public rules governing the European University Institute. RWE is the initiator and the first sponsor of the ETA; however the fund is open to any company or institution wishing to contribute to the transparency of European energy markets. A few undertakings have indicated their intention to join the ETA fund, thus providing the Award with a sustainable future.

Following a call for proposals launched in May 2011, several nominations were received concerning a total of 13 entities. These nominations were evaluated according to the 8 criteria laid down in the ETA Rules¹: effectiveness, efficiency, reproducibility, innovation, simplicity of design and implementation, responsiveness to users’ needs, leverage and contribution to market oversight improvement. The Selection Committee included Prof. Jean-Michel Glachant, Prof. Peter Kaderjak, Jan Moen and Jorge Vasconcelos (chair).

In a first step, each nomination was independently evaluated by each member of the Committee on a scale ranging from 0 to 100 points. The 3 nominations with the highest average marks were the following, by alphabetic order:

- Council of European Energy Regulators (CEER) Pilot Project ETDRS - Energy Trade Data Reporting Scheme
- European Energy Exchange AG (EEX) Transparency Platform
- Red Eléctrica de España (REE)

In a second step, these 3 nominations were assessed again by the Selection Committee. The Committee

1. http://www.florence-school.eu/portal/page/portal/FSR_HOME/ENERGY/Energy_Market_Transparency_Award/ETA_Rules

considered that all 3 entities have provided exceptional contributions to the transparency of energy markets in Europe and therefore wishes to congratulate them and to encourage them to continue their work in support of more transparent and more efficient energy markets.

Red Eléctrica de España, the European Energy Exchange and the Council of European Energy Regulators all have been and are examples of integration of transparency in their behaviour; moreover, they have actively promoted transparency and cross-border cooperation at European level. They have inspired industry, regulators and policy-makers throughout Europe and beyond EU borders, hence contributing to the better functioning of the Internal Energy Market and making the European model better known all over the world.

Last year, since the ETA was assigned for the first time, the Selection Committee decided to give special emphasis to past achievements, thus rewarding Nord Pool for their pioneering and inspiring activity. This year, the Selection Committee was forward looking, taking into account the fact that the recently approved *Regulation on Energy Market Integrity and Transparency* has a remarkable potential to substantially improve transparency of European energy markets. It will be the responsibility of the Agency for the Cooperation of Energy Regulators (ACER) to implement this Regulation and to make sure that the expected benefits will materialize soon.

The CEER Pilot Project Energy Trade Data Reporting Scheme demonstrated within a period of only six months that the establishment of an effective European monitoring of wholesale energy trading based on a largely electronic data collection will be challenging, but is feasible. It served as a prototype for the implementation of the *Regulation on Energy Market Integrity and Transparency* and hence it contributed to persuade EU legislators about the possibility and usefulness of more systemic and sophisticated EU-wide market monitoring. The pro-active role of energy regulators along the whole legislative process should also be emphasized. In fact, the CEER initiated a close and productive dialogue with financial market regulators many years ago aimed at providing comprehensive and coherent supervision and regulation of all energy markets, physical and financial. Moreover, the CEER has always asked the European Institutions to set up appropriate EU wide market and price monitoring mechanisms. Therefore, **the Selection Committee decided to assign the 2011 European Transparency Award to the Council of European Energy Regulators (CEER)** for its contribution to the conception and implementation of a Transparency Regulation at European scale.

The Selection Committee warmly congratulates the Council of European Energy Regulators for its past achievements and encourages regulators to keep the innovation and transparency track they have so successfully pursued, for the benefit of energy consumers and energy undertakings in Europe.