



Fostering energy markets, empowering **consumers**.

Evaluation of Responses

Stakeholder comments on CEER 3D Strategy and CEER Work Programme 2019

Ref: C18-WPDC-30-04

9 January 2019

Table of contents

EXECUTIVE SUMMARY	3
1 STAKEHOLDER FEEDBACK AND COMMENTS	4
2 STAKEHOLDER FEEDBACK AND COMMENTS ON THE CEER 3D STRATEGY	4
3 GENERAL COMMENTS ON THE DRAFT CEER 2019 WP	9
4 COMMENTS ON INDIVIDUAL DELIVERABLES	12
5 CONCLUSIONS.....	37
ANNEX 1 – ABOUT CEER.....	38
ANNEX 2 – LIST OF RESPONDENTS.....	39

EXECUTIVE SUMMARY

The Council of European Energy Regulators (CEER) appreciates and welcomes the comments and feedback received to the public consultation on its 3D Strategy (2019 – 2021) and draft 2019 Work Programme (WP). A total of 21 respondents submitted their views. We received feedback on specific questions related to CEER's 3D Strategy, the draft Work Programme work areas as well as individual deliverables. Overall, although there were detailed differences of views, respondents expressed strong support for our 3D Strategy and proposed draft 2019 Work Programme deliverables.

CEER has reviewed its 3D Strategy and draft 2019 Work Programme to take into account suggestions made by stakeholders and has provided further clarification and detail on the planned deliverables. The final 3D Strategy and Work Programme also reflects recent developments in energy policy at European level, in particular regarding Energy Union proposals and regulators' further thinking on timely energy regulatory trends and issues. As a result, the 2019 Work Programme contains 17 deliverables for 2019.

This evaluation of responses document accompanies the final [CEER's 3D Strategy](#) and [2019 Work Programme](#) and provides CEER's considered reaction to the comments submitted.

1 Stakeholder feedback and comments

The public consultation on the CEER 3D Strategy and draft proposals for the 2019 Work Programme was launched on 5 June 2018. Reactions were sought, via an online questionnaire, by 10 August 2018.

In total, 21 respondents (5 out of which were confidential) provided their views on the 3D Strategy and draft CEER 2019 Work Programme. The comments were received from a variety of organisations (Annex 2). CEER appreciates the involvement and input from respondents.

This Evaluation of Responses summarises the views expressed by respondents and presents the conclusions CEER draws from them.

CEER's final 3D Strategy and 2019 Work Programme, as well as the non-confidential responses to our online consultation are available on the CEER website. In line with our current practice, CEER will continue to provide opportunities for stakeholder's contribution to our work via public consultations and events. All information is available online on www.ceer.eu and is updated on a rolling basis.

2 Stakeholder feedback and comments on the CEER 3D Strategy

Of the 21 respondents, almost all responded to the questions related to the 3D Strategy. Generally, respondents support CEER's proposed 3D Strategy with some minor suggestions expressed.

Question 1 – To what extent has CEER captured the key ongoing and anticipated trends and challenges as part of the changing energy system?

All of the 18 respondents to this question supported the trends and challenges identified by CEER in its draft 3D Strategy and consider that the 3 big policy areas (digitalisation, decarbonisation at least cost; and dynamic regulation) are the right ones. Only 3 respondents identifying missing elements – (e.g. a greater focus on the role of network tariffs). The issues raised by several respondents can be clustered into 3 issues:

- 1) CEER's consumer-centric emphasis is welcomed.
- 2) The "whole system" approach proposed by CEER is welcomed. There is a need to forge a regulatory framework for integrated solutions across the gas chain and between electricity, gas and buildings (heating & cooling) and transport.
- 3) The starting point may well underestimate the degree of disruption coming in the market and the pace of decentralisation of the energy system.

Digitalisation

Respondents highlighted 7 topics on digitalisation of the energy sector:

- 1) The growing role of Distribution System Operators (DSOs) as neutral market facilitators and the fact that they are well placed to secure the protection and privacy of consumers data requires more focus on the regulatory approach to distribution systems. As digitalisation will facilitate access to Transmission System Operators' (TSOs') /DSOs' data, which is valuable for the operation and optimization of the grid, respondents identify 3 issues regarding the

regulation of DSOs:

- a. The empowerment of DSOs to cope with the usage of the Distribution network as a platform for distributed energy resources;
 - b. The creation of new rules for coordination among DSOs and Independent System Operators (ISOs)/TSOs to optimise the use of distributed resources;
 - c. DSOs should not be penalised when adopting new technologies or digitising the grid.
- 2) One respondent suggests that CEER's strategy should include a greater focus on promoting innovation and R&D activities, as innovation will enable the benefits of new technologies to get to consumers. Another asked for more benchmarking on regulatory best practices promoting innovation.
 - 3) According to one respondent, the success of the digitalisation of the energy sector to the benefit of the consumer depends on the efficient cooperation of 3 main types of stakeholders i.e. energy suppliers, service providers and electrical devices manufacturers. The relationship between the DSOs, retailers and consumers should be reviewed to translate expected consumer benefits into practice.
 - 4) Respondents call for minimum standards in cybersecurity and for certification (including for aggregators) and highlight the importance of data protection.
 - 5) For the network security and consumer protection and therefore deserve special attention as a strategic objective.
 - 6) One respondent emphasised that consumers are diverse and are able to deal with digitalisation in different ways (vulnerable is distinct from elderly).
 - 7) More attention should be given to wholesale markets, which are highly impacted by digitalisation and can serve as an important orchestrator in a complex system. Liquid wholesale markets are a prerequisite for competitive retail markets which in turn determine the price paid by the final consumer.

Respondents also identified 2 methodological points:

- Provide clear definitions, such as "prosumer".
- Regulation should favour a more principles-based approach.

CEER Views

The points made identify key tasks of regulators and evidence that digitalisation can play a role to achieve the objectives of regulation, such as competitive markets. We will further emphasise the growing role of DSOs (see Deliverables 11, 12), the need for good cooperation between TSOs and DSOs to share and manage data and optimise the use of distributed resources. We have added a new deliverable, which will take the form of a CEER consultation paper (intended for March 2019) on dynamic regulation to enable the digitalisation of the energy sector, with a focus on the consumer benefitting from digitalisation.

Decarbonisation at least cost

Respondents commented on 6 issues concerning CEER's decarbonisation at least cost objective:

- 1) One respondent called the role of local energy communities, in bringing social innovation to support the energy transition process, to be better recognised.
- 2) Many respondents considered that there is a need for a long-term vision to provide effective investment signals in low carbon technologies (high CO₂ prices). They ask for an investment path in line with EU climate policy ambition and for an evaluation of the current EU-ETS effectiveness as investment signal on decarbonisation, advocating also a "polluter-pays" approach for a fair distribution of climate action.

- 3) Some respondents called for regulation to encourage the deployment of recharging infrastructure to allow the development of green mobility.
- 4) Some respondents called for the important role of gas (natural and renewable) as a main energy source in the future energy mix to be better explained (e.g. power-to-gas technology). According to one respondent, regulation should favour the improvement of the existing gas infrastructure that can play a role in the decarbonisation of the energy sector by avoiding costly conversion investments.
- 5) One respondent encourages CEER to adopt a holistic system view and promote measures facilitating wholesale and retail market integration in order to achieve the decarbonisation at least cost. They consider that this will imply a greater role for ACER in the future regarding the cross-border dimension of retail markets and interactions with the wholesale markets.
- 6) Some respondents consider that decarbonisation should be considered the main energy policy objective of the 3D Strategy.

1 methodological issue was raised:

- Need to more precisely define the time horizon (2050 Roadmap horizon?).

CEER Views

We will consider these observations whilst undertaking the work (for example deliverables 6, 7,13), keeping in mind that decarbonisation is not within the hands of many NRAs but remains a key orientation of their regulatory tasks. Importantly, CEER recalls that our strategic policy area is decarbonisation at least cost, and not decarbonisation per se.

Dynamic regulation

Respondents endorse CEERs' objective to define efficient and adaptable regulation as a key point of its strategy:

- 1) One respondent welcomed CEER's emphasis on the regulatory framework being stable but not static. Regulation must be adaptable and agile to accommodate new flexibility uses, providers, users and new business models while ensuring sustainability and resilience of the overall power system.
- 2) A reflection on tariff structure is deemed to be very important by many respondents. More precisely, respondents consider that:
 - a. Network tariffs should be redesigned to ensure that the contribution to system and network cost remain equitable and sustainable (volumetric tariffs are no longer relevant).
 - b. Regulated prices are inconsistent with the EU consumer-centric approach and can lead to distortions that are detrimental to competition.
 - c. DSOs should be incentivised to invest in smart grids and innovation solutions.
- 3) One respondent raised the question of fairness implied by a difference of engagement among customers, and called for regulation to fight against price discrimination and make sure that new (bundled) products are available to all consumers through comparison tools.

2 methodological points were identified:

- Two respondents expressed their doubts on the concept of dynamic regulation. One explained that there must be a balance between visibility/predictability of rules and anticipated adjustments, but the latter might preclude some developments. The other considered that the implementation of the existing framework must be a priority before

introducing new measures. The need to adapt should not detrimentally affect existing infrastructure in maintaining its value as an important tool to support cost-effective decarbonisation.

- Two respondents advocated for principle-based regulation (instead of rigid regulation), as a way to provide better protection for all consumers, including the vulnerable, foster an environment where they get engaging, informative and useful communications, and provide room for suppliers to innovate (i.e. encourage innovation and put responsibility on suppliers to deliver good consumer outcomes).

CEER Views

We will consider these observations whilst undertaking the work and in particular we may try to make clearer the balance of dynamic regulation between adaptability and predictability, which allows an adaptable and agile regulatory framework while providing reasonable predictability. CEER intends to work further on network tariffs in 2019. The interest of consumers being a core element in CEER reflections, fairness and cost distribution issues among customers involved in different ways will also be considered in the design of regulatory framework.

Question 2 – To what extent do CEER proposed strategic objectives protect and empower consumers in light of the identified opportunities and challenges?

17 respondents out of 21 provided comments on this question. These can be clustered into 4 key themes:

- 1) Many respondents underlined the importance of data protection and cybersecurity in consumers' protection. One respondent sees that the DSO as best placed to ensure data protection and consumer privacy. Respondents asked for the regulatory framework to guarantee neutrality in the way DSOs perform their tasks. To this end, one respondent recommends reinforcing the oversight and governance rules for DSOs as appropriate and by providing common compliance guidelines on DSOs at European level.
- 2) Concerning protection:
 - a. One respondent called for regulation to promote participation without discrimination between consumers and prosumers. All consumers should benefit from market developments, not only prosumers (fair distribution of system costs). Different customers will likely respond differently, with differing levels of interest and involvement. This will require tailored solutions for customers, including vulnerable customers. Therefore, cross-authority collaboration through the Partnership for the Enforcement of European Rights (PEER initiative) should be reinforced to ensure there are no regulatory gaps.
 - b. The concept of fairness and distributional impacts in general should be better highlighted in the 3D Strategy (and be part of the Dynamic Regulation section to avoid narrow interpretation).
- 3) In terms of empowerment:
 - a. One respondent called for CEER's 3D Strategy to better acknowledge local energy communities, as consumers should not be prevented from being empowered to develop non-commercial entities in order to participate in the market.
 - b. One respondent called for CEER and BEUC to build its "A 2020 Vision for Europe's energy customers", on what energy markets should look like for consumers and update the Vision for energy customer for coming decade.
 - c. One respondent called for regulators to address impact of price signals on consumers' empowerment. Increasing the share of the wholesale energy price component in the

- final bill can improve the price elasticity of residential demand, encouraging consumers to adapt their consumption and better empower consumers.
- d. One respondent considers that CEER should put additional focus on training and capacity-building, raising awareness at the level of final consumers, and addressing energy poverty to make sure that digitalisation and decarbonisation go together with further democratisation and ensuring access for all consumers.
- 4) One respondent introduced the idea that NRAs should closely watch the new offers and dynamic electricity price contracts and be ready to introduce new protections so that consumers avoid lower comfort or bill shocks:
- a. New players (aggregators) should have new consumer protection obligations and consumers should be rewarded for being flexible in their electricity consumption.
 - b. New challenges arise and must be taken into account in regulation: consumer acceptance (e.g. smart metering), interoperability (a change of supplier should not stop the smart metering working), and responsibility (if something goes wrong). NRAs must be aware of the limits of traditionally well-established concepts like ownership, safety, liability.

CEER Views

We will consider these observations whilst undertaking the work. We may give more importance to the empowerment of consumers through better training, information, and access to local solutions to be a part of the energy transition, as well as to the question of fairness and consumer acceptance. We plan to work further on digitalisation and cybersecurity and will continue to build our dialogue with other sectoral regulators and bodies with consumer responsibilities through our PEER initiative.

Question 3 – Please indicate if you identify any missing objectives on which regulators should focus.

Of the 21 respondents, 17 commented mostly to the effect that the 3Ds are the right ones and captured the main issues with no missing elements. In addition, some remarks can be identified:

- 1) Some respondents called for Decentralisation, as a structural change in the electricity generation, to be considered and included in CEER's strategy on an equal footing with digitalisation and decarbonisation at least cost.
- 2) Some respondents asked CEER to better underline the new active role of DSOs in system operation and the importance of cooperation between TSOs and DSOs:
 - a. Promote better access to TSOs and DSOs data to stimulate innovation.
 - b. Implement experimental frameworks (like regulatory sandboxes) for innovation, with incentives to encourage operators to innovate.
 - c. Pay more attention to transmission challenges and to the fact that efficient utilisation and valuation of transmission infrastructure has an impact on consumers' welfare.
- 3) Add a social focus:
 - a. Take into account that local ownership of distributed energy resources contribute to social objectives and local economic development (local energy communities).
 - b. The current regulatory framework should be adapted to provide more flexibility for grid operators to employ the most effective and locally suitable measures. There is a need to further develop the power system and address regulatory measures to facilitate infrastructure implementation and foster public acceptance.
 - c. Market data that NRAs hold should be made available to the market. It could be used to build comparison tools, evaluation apps, etc. and make energy markets friendlier for consumers.
- 3) Work on new and smart distribution tariffs structures:
 - a. Add an objective focusing on the role of network tariffs looking at the distributional

- impacts of different allocation mechanisms beyond prosumers/household consumers.
- b. Introduce the concept of fairness with regard to the allocation of costs of the energy transition, and the principle of affordability to achieve lower bills giving attention to vulnerable and energy poor consumers.
 - c. Adopt the “polluters-pay” principle to tackle climate change costs. Costs could be collected through a public budget (social/cohesion policies) or environmental tax reform focusing on the carbon content of energy consumption (climate action).
 - d. Support European leadership in the energy transition through proper R&D&I incentives and recognition of R&D spending in network tariffs (cf. Mission Innovation; Ofgem’s RIIO).
- 5) Focus on clean and sustainable mobility and look for best practices on electric vehicle integration schemes.
 - 6) Think about structural reforms to improve the efficiency of the power system: upgrading EU electricity grid and its operational rules to enable high renewables penetration and incentivise flexibility; tackling overcapacity of power generation; ensuring the ETS deliver a high and stable carbon price to support market-based investments in RES. One respondent mentioned the opportunities with power-to-gas technology, sector coupling and the decarbonisation of the EU economy.
 - 7) Follow the challenges related to Artificial Intelligence and machine learning (smart grid) including for competition and transparency for consumers.
 - 8) One respondent recalled that full implementation of the Third Energy Package remains an ongoing priority.

CEER Views

We will consider the suggestions of respondents, in particular regarding the evolutions of tariff structure to reflect the energy transition.

3 General comments on the draft CEER 2019 WP

In general, stakeholders expressed their strong support for the four proposed areas of principal relevance (Consumers and Retail Markets, Gas, Electricity and Cross-sectorial) for CEER Work Programme in 2019 and considered that they would contribute to CEER’s 3D Strategy. CEER’s views responding to stakeholders’ specific comments are included in the table later in this document. We have also examined the planned work items in the light of comments received on the 3D Strategy. The cross-sectorial suggested work areas were broadly welcomed with a slight change regarding work items on PEER; even if welcomed by some, these were however considered to be a less important by 4 of the respondents. CEER’s work should remain flexible with a progressive intention in the implementation of the Clean Energy Package for all Europeans legislative initiatives, which will emerge in 2019 and should complement the work of ACER.

Some stakeholders also underlined that CEER’s consumer focus is important and should be maintained together with new emerging topics such as decarbonisation, digitalisation and cybersecurity, which are connected to electricity and gas issues.

Comments on the work areas of the draft CEER 2019 WP

The majority of respondents expressed their strong support of work items 1 to 4 on consumer issues, 5 and 6 on gas issues, on priorities 7 and 8 on electricity issues and finally on work items 9 to 17 on cross-sectorial deliverables. Generally, stakeholders expressed their support for CEER’s focus on consumer related deliverables as well as for issues regarding the role, the operation and the use of flexibility by DSOs. On the other hand, 4 respondents considered work items 15 and 16 on CEER’s

PEER projects as less important for the moment (whereas another called for the reinforcement of PEER to avoid any regulatory gaps). Stakeholders proposed few other areas that could be covered within CEER's deliverables for 2019 under each specific section, which are developed below.

Consumers and retail markets

Of the 21 respondents, 13 provided comments on this work area. All of them supported the focus on consumer and retail markets issues and generally, positively welcomed the proposed deliverables taking into consideration the fact that they would be particularly important for the implementation and transposition of the Clean Energy Package for all Europeans which will start in 2019.

However, several other areas of work for CEER were proposed by respondents for this work area:

- Further development of consumer issues taking into account the impacts of main current and future trends (such as costs and implications of digitalisation);
- Behavioural aspects (risk perception, aversion or switching behaviour) as part of monitoring and barriers identification;
- State intervention in prices;
- Recovery of policy costs;
- Focus on different consumers groups;
- Best practices on funding climate action and other policies;
- On dynamic pricing issues, advanced forms of time-of-use and critical peak pricing should be included;
- Customer response to price signals and regulatory views on the subject;
- Consumer empowerment (special focus on data protection, individual consent, data access and data sharing);
- Prioritising of "must have metrics" and optional metrics regarding the evaluation of the retail markets monitoring;
- Assuring that the proposed deliverables provide some continuity with previous CEER work.

Respondents (11) strongly supported the Market Monitoring Report and 8 strongly supported the Retail Market Monitoring Report and asked for their continuation. The work on dynamic price implementation was also greatly supported together with the status review on the progress of the self-assessment by NRAs based on CEER's "Roadmap to 2025 Well-Functioning Retail Energy Markets". One respondent proposed that CEER should concentrate on more controversial consumer issues such as state price intervention in markets, vulnerable customer definition and treatment, efficient tariff design or fair network cost sharing among all network users, which would be considered as more valuable.

Generally, more than half of the respondents recognised that the consumer and retail markets priorities contribute to the achievement of CEER's 3D Strategy.

Gas

Of the 21 respondents, 8 provided comments on this work area. There was an overall support for CEER addressing this topic and in particular innovation within the gas sector, with 2 stakeholders mainly focussing on supporting the in-depth follow-up on CEER's FROG Report focusing on regulatory measures set for gas infrastructure and gas market design within the scope of decarbonisation and energy transition. The FROG Report is also seen as important as new energy market models are pursued and in preparation of the planned gas legislative initiatives foreseen by the European Commission in 2019.

One respondent suggested that there should be an explicit mentioning of "sectoral integration" and "sustainable gases" when focusing on innovation in the gas sector.

One respondent called for CEER to develop a gas market design review, with an insight on the growing interdependency between electricity and gas, and for a forward-looking view of the need of fossil fuel infrastructures given the potential of new renewables. One respondent recommended that a similar assessment report should be done for electricity sector with a view to adapt regulatory frameworks. Among others it should take into account new developments such as sector coupling, e-mobility, digitalisation etc. and their impact on both the power and the gas system.

Stakeholders mostly welcomed the contribution of the gas deliverables to the achievement of CEER's 3D Strategy.

Electricity

Of the 21 respondents, 13 provided comments on this topic with 8 considering the Report on Investment Signals with increasing RES penetration as a crucial deliverable for the functioning of the electricity market in the long run. One suggested that CEER includes a citizen and SME focus to this deliverable in order to give a better regulatory overview of investment signals and conditions. Another suggested focussing the report also on possible changes of the wholesale market, providing the investment signals and if any, other existing mechanisms to provide signals together with presenting distributional costs of the proposed options to different types of consumers.

Regarding the Benchmarking Report on Power Losses, respondents suggested building fact-based conclusions on network losses. Another stakeholder proposes to include recommendations on how the system losses can be minimised as well as to explore the interactions with digitalisation.

As regards the CEER 3D Strategy, more than half of the respondents agreed that the proposed electricity deliverables are contributing to the achievement of CEER's 3D Strategy.

Cross-sectoral

Of the 21 respondents, 13 gave comments on this issue with 11 supporting CEER's efforts on how flexibility procurement procedures could be arranged to reach an efficient outcome and how incentives are given in regulation to DSOs to use flexibility and TSO-DSO interaction on the procurement of flexibility. Stakeholders would appreciate CEER's focus on DSOs' needs, role, and operation, the use of flexibility and the incorporation of demand-side management and aggregation services.

PEER deliverables such as the Report on national models of cooperation among different sectoral regulators in the context of consumer law enforcement and the Bundled Products Regulatory Roundtable are considered as important by 6 respondents. One would welcome the development of PEER initiatives also on emerging issues related to digitalisation.

The Cybersecurity deliverable is considered as very important by 7 of 21, and important 11 respondents. Stakeholders consider cybersecurity as being a rising topic, which concerns all industries, but is particularly crucial for DSOs; therefore, respondents appreciate CEER's initiative. One suggested having cyber security as a separate deliverable, which would focus on gas and electricity with including PEER perspectives into its scope. Some underlined that the importance of cybersecurity significantly increases with digitalisation.

4 Comments on individual deliverables

The table below provides an overview of the comments received to the deliverables that were presented in the public consultation on the draft CEER 2019 Work Programme in July 2018. CEER's reaction and views on this input is included in the right-hand column of the table.

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
	Consumer and retail markets					
1	Status Review with a focus on the gap-analysis for the Roadmap to 2025 for Well-Functioning Retail Energy Markets	0	7	8	<ul style="list-style-type: none"> Costs of digitalisation should be considered appropriately when weighed with the benefits of smart and digitised solutions. Equally evaluating in how far the market functioning and possible progress is “inclusive” – i.e. benefits to all consumers (specifically considering vulnerable consumers) - or benefits only to specific (quantified) customer segments; CEER (in cooperation with ACER) has so far blamed regulated prices and recommended the recovery of costs unrelated with the electricity supply through alternative sources to the electricity tariffs. A definition of “State intervention” in prices should clarify the recommendations and best practices (i.e. any system in which the full price level or a component of the price is defined by the public powers and/or conveys special administrative selling obligations/limitations should be seen as a regulated price). A concrete recommendation (or a set of alternatives) on the recovery of policy costs (carbon taxes?) would strengthen considerably CEER messages; 	<p>Agree</p> <p>The Status Review will examine the impact of different types of price intervention on the achievement of well-functioning retail energy markets.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<ul style="list-style-type: none"> • CEER's work items can contribute to its Strategy, particularly as they pertain to citizen and community empowerment in the energy system. However, there is a need to integrate citizens and communities into CEER's general, or overall, approach towards these work items.; • Stakeholder involvement should be sought during the study and any event should be timed before the completion of the study, to allow stakeholders to comment on the analysis and conclusions. 	<p>We will consider these observations whilst undertaking the work.</p> <p>Agree</p>
2	ACER/CEER Market Monitoring Report on Consumer Empowerment and Protection Chapter	0	5	11	<ul style="list-style-type: none"> • The monitoring of consumer issues should be further developed taking into account the impact of main trends; • It is necessary to consider how far market functioning and possible progress is "inclusive" – i.e. benefits to all consumers (specifically considering vulnerable consumers) - or benefits only to specific (quantified) customer segments; • The use of 'retail markets' is a too narrow definition, but also markets for flexibility and system services should be considered. We urge CEER to also focus on removing barriers for market-entry, also for small-scale consumers and distributed resources, which is important to allow for well-functioning markets. Finally, remuneration mechanisms for regulated energy markets should be opened for distributed resources.; • A recommendation to focus on the most controversial issues such as State Price intervention in markets, vulnerable customer definition and treatment, efficient tariff design or fair network cost sharing among all network users. In fact, CEER views are more valuable when tackling tough and controversial issues such the 	<p>Agree</p> <p>We agree that all customers should be considered.</p> <p>We are considering the role of consumers in flexibility and system services in other work items.</p> <p>CEER will continue to tackle essential issues. For example, price intervention will be included as part of our work on the Roadmap to 2025 for Well-Functioning Retail Energy Markets and tariff issues will be discussed in a short</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>above, than with the potentially easier such as price comparison tools or billing formats;</p> <ul style="list-style-type: none"> • 2019 may be somewhat premature to factor in all the new requirements to be monitored, as full implementation may not be until post 2020, and so this should be a progressive intention. 	<p>paper proposed since this public consultation was issued.</p>
3	Report on Retail Market Monitoring	1	7	8	<ul style="list-style-type: none"> • The indicative & non-exhaustive character of the market metrics must be considered.; • This report should evaluate the digitalisation for all system operators, including, but not limited to the question how digitalisation will change how DSOs will exercise their tasks. This concerns the relationship between TSOs and DSOs. Furthermore, real-time network management will also be applied by TSOs, as goes for access to data; • Stakeholders would welcome a detailed analysis throughout the EU on energy bill components. In 2015 Market Monitoring report, ACER-CEER recommended that “costs of funding RES support and other similar schemes could be covered in ways other than through charges on electricity prices”. ACER-CEER noted that “taxes and other” component has been increasing more than any other over the recent years. It would be relevant to set up best practices on funding climate action and other policies. In 2016 edition, ACER CEER noted “In particular, large shares of households supplied by suppliers of last resort also raise questions of why so many household consumers either remain inactive or need protection”. A specific section on good and wrong practices on vulnerable customer protection and 	<p>We will consider these observations whilst undertaking the work.</p> <p>We will consider these observations though they will mostly be addressed in other deliverables.</p> <p>We will consider the effects of market interventions on retail markets in our proposed work on the Roadmap to 2025 Well-Functioning Retail Energy Markets. In the light of that work we will consider whether it would be appropriate to examine specific aspects of market operation.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>distorting government interventions in markets would be of high interest;</p> <ul style="list-style-type: none"> This deliverable should also provide continuity with previous CEER work. A number of CEER National Indicators concern customer empowerment, and so the outcomes should be coherent with other CEER activities, including those of Deliverable 2. It is important to assess if there are barriers to customer participation and propose measures to remove them. 	<p>Agree</p> <p>We will consider these suggestions whilst undertaking the work.</p>
4	Recommendations on Dynamic Price Implementation	1	4	10	<ul style="list-style-type: none"> The monitoring and barriers analysis should include behavioural aspects, for instance risk perception and aversion, switching behaviour. It is important to evaluate the aspects of default tariffs and that despite not being the best tariff for them, consumers might get stuck in these tariffs. It should focus as well on different consumer groups – and how much they can change their behaviour (without losing elsewhere – i.e. losing on quality of life or health); Customer's right on a dynamic price contract, this right should not be explicitly limited to the current customer's supplier but that it is better to let the market function – thus an option and not a right; Dynamic pricing already exists and will develop notably due to digitalisation as an enabler for various offers. The CEP provides for a very restrictive definition of what dynamic prices mean. This should be driven by competition between retailers, which means that the regulation should let suppliers free to decide if and how to build dynamic offers for their customers based on 	<p>We will consider these observations whilst undertaking the work.</p> <p>We will consider these observations whilst undertaking the work, though CEER will have to respond to the European legal realities of dynamic prices being an option or a right that exist at the time of publication.</p> <p>We will consider these observations whilst undertaking the work.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>demand. The selection of pricing option should be left to the market, suppliers bearing the burden of innovation and customers choosing the options suiting their needs;</p> <ul style="list-style-type: none"> • Any workshop with stakeholders on this issue would be welcome; • It's more a supplier topic rather than distribution unless it includes dynamic tariffs which is key issue for DSOs; • The role of the DSO is important in this area. The DSO, the consumers and other actors on the market can create value in the decarbonisation; • Incentives to use flexibility should be applicable to all system operators, including TSOs and DSOs; • Dynamic pricing is not necessarily a synonym of market orientation. The Spanish Voluntary Price for the Small Consumers (PVPC, following the Spanish acronym for <i>precios voluntarios para el pequeño consumidor</i>) is a dynamic price transferring consumers the wholesale market volatility. However, the PVPC incorporates a supply margin established by the government (litigated by the suppliers), 96% of consumers are eligible for it (26 million) and only some suppliers are entitled and enforced to offer PVPCs. They have to brand and offer PVPCs totally separately from their other (market) products. This dynamic price is a regulated price conveying, among others two distortions: The regulated margin is alleged insufficient by the suppliers that are enforced to market it under special branding, totally aside of other products. The PVPC transfers the wholesale market volatility through the energy component to the customers kept under the regulated price umbrella. This fact amplifies public controversies when wholesale prices 	<p>While these are valid points, the idea of the focus of this deliverable it to look at the issue from a retail perspective and not to delve into TSO and DSO issues.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>have high level periods/spikes pushing the Government and NRA to further interventions;</p> <ul style="list-style-type: none"> From an energy retail market perspective, how dynamic prices are implemented as well as their impact on customer welfare and use of energy is very important. CEER may consider freeing grid tariffs from unrelated costs, such as taxes and levies, in order to reduce distortion of production, consumption and investment decisions. 	
	Gas					
5	Status Review on Regulating Innovation in the gas sector	3	9	4	<ul style="list-style-type: none"> There should be an explicit mentioning of “sectoral integration” and “sustainable gases” when CEER focuses on innovation in the gas sector; Importance of innovation for the improvement of the environmental and economic efficiency of energy systems. A report on how different innovation regulatory schemes are applied in Member States could be helpful to better understand how this aspect could be covered by regulation; Electricity bills are now supporting solely the climate action. “Polluters-pay” principle requires all energies (petrol, diesel, gas) to contribute to this effort in accordance to their carbon emissions. In addition to this, a forward-looking analysis on innovative issues in gas must also go through the potential contribution of biogases and hydrogen to the EU decarbonisation targets. Such gases require new infrastructures and new technology advances that need to be analysed in accordance to efficiency criteria and cost effectiveness in 	<p>We will consider these observations whilst undertaking the work.</p> <p>We will consider these observations whilst undertaking the work.</p> <p>We will consider these observations whilst undertaking the work.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>comparison with electricity;</p> <ul style="list-style-type: none"> This further work on regulatory innovation in the gas sector is highly relevant to the achievement of the 3D Strategy. The continued efficient use of assets of the gas system, including for renewable and decarbonised gases, will contribute to an affordable decarbonisation strategy. NRAs, however, will face a challenge in regulatory innovations in the gas sector, as in electricity, and a balance should be found in facilitating innovation on a market basis, among the interests of all market participants, ultimately to the benefit of the energy transition and customers. As new markets take shape, the principles of a robust market in which suppliers meet the demand for new products and services and grid operators are market facilitators should be maintained. If, however, the market is not reacting and developing autonomously because there is not enough appetite to kick-start some activities (for example gas fuelling stations for road vehicles and CNG/LNG/renewable gas storage) a role could be envisaged for other interested parties, including network operators to own and develop these assets, for a limited period, and granting third party access, with new revenue streams linked to this market facilitator role. This role for network operators should be subject to appropriate regulatory oversight, with clear principles/criteria to determine the degree of contestability in an agreed set of activities. These new activities should only be done by gas grid operators after appropriate regulatory scrutiny of the market involved. A role for operators could for example, be envisaged if other parties, following an open and transparent 	<p>We will consider these observations whilst undertaking the work.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>tendering procedure, have not expressed an interest to carry out those activities. A relevant consideration in this context could be the need to meet targets of the Alternative Fuels Infrastructure (AFI) Directive. Periodic market monitoring, including market tests, should check whether the market situation is evolving and establish exit conditions.</p> <ul style="list-style-type: none"> It is recommended to do a similar assessment report also for the electricity sector in a view to adapt regulatory frameworks fostering innovation and taking into account new developments such as sector coupling, e-mobility, digitalisation and their impact on the power and gas system. 	
6	Report on Gas Infrastructures and the Energy transition: An analysis of needs and economic evaluation of investments	1	7	9	<ul style="list-style-type: none"> There should be an explicit mentioning of “sectoral integration” and “sustainable gases” when CEER focuses on infrastructure in the gas sector. Moreover, this is an example where the relevant strategy should equally be Decentralization (as well as Decarbonisation); It is not clear why the selection of “projects of common interest” (leading to EU financing?) should be addressed in a CEER report. Efficient use of infrastructure is vital in order to minimize system costs and maximize consumer welfare. It is important that natural gas infrastructure is smartly regulated to address the evolving needs of the gas sector while keeping a close eye on the costs. At the same time, it is important to ensure that gas markets enable competition and can deliver the right price signals to achieve a cost-efficient energy transition. We support the efficient use of existing gas infrastructure to transport 	<p>Agree</p> <p>The Projects of Common Interest process is a method for selecting priority infrastructure and so is relevant to the work on infrastructure needs and evaluation.</p> <p>We will consider these observations whilst undertaking the work.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>renewable gases, where appropriate. Clear arrangements for the connection to and use of the network must be developed (e.g. charges, technical connection requirements, responsibilities for setting and maintaining the relevant product quality norms, metering, compression, etc.). Technical challenges remain, for example, as higher hydrogen quantities are blended in the gas networks. In this respect, caution should be exercised when using or converting natural gas infrastructure so as not to put at risk the functioning of current transportation networks and storages as well as traded markets. In this respect, this deliverable can be used as an opportunity to also consider any risks associated with changing infrastructure use. Against the backdrop of increasing interaction between the gas and electricity sectors, we support efforts to improve sector coupling;</p> <ul style="list-style-type: none"> • A workshop or consultation would be welcomed on the topic. • To complete the benchmark, it would be interesting to mention which entity bears the cost of losses; • This analysis may bring a forward-looking view on the need of fossil fuel infrastructures given the potential of new renewable and specifically the deployment of distributed energy resources. The incorporation of new costly infrastructures burdening EU consumers should be justified in terms of cost-benefit analysis. In addition, the analysis should consider the potential appearance of stranded assets in the future or the lock-in carbon emitting technologies; 	

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
	Electricity					
7	Report on Investment Signals with increasing RES penetration	2	6	8	<ul style="list-style-type: none"> The scope of this report should focus on whether any change on the wholesale market is the best mean to provide the investment signals and whether other mechanisms exist to provide signals and what is the distributional of costs of each option proposed to different types of consumers. It should also envision signals to distributed flexibility or generation, including that provided by households. BEUC would like to participate but lack the technical expertise so relevant information for non-technical public will be useful; Possible market design options to resolve these issues should however leave the necessary room to Member States to address very diverging national circumstances in an effective and efficient way; This deliverable is a crucial point for the functioning of the market in the long run. Indeed, the energy-only market cannot provide for the long-term investment signals required. A market design relying on short term prices and a fragile CO2 price will fail to deliver an efficient investment. Europe needs a framework offering more visibility and conducive to cost-effective investment in low carbon technologies. Such a framework includes in particular adequate arrangements in order to secure visibility for capital intensive projects and guarantee security of supply, as well as a long-term view on transmission infrastructure investment. Adequate arrangements and regulatory adjustments should therefore include a framework for long term contracting (bilateral or via competitive procurement, possibly based 	<p>We will consider these observations whilst undertaking the work.</p> <p>We will consider these observations whilst undertaking the work.</p> <p>We will consider these observations whilst undertaking the work.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>on 'contract-for-difference' schemes). In fact, there are two pillars for a working market design: short term optimization (which is reasonably achieved through present market) and long-term optimisation (where investment decision, thence the greater part of economic efficiency in the long run, is at stake). The latter pillar is the weak one at present, and it is a clear hindrance to those developments (upstream, including carbon free generation, and downstream, including digitalisation) that pave the path to EU 2050 policy targets;</p> <ul style="list-style-type: none"> • Will incentives for storage be considered as a target for the market design? • Suggestion to rephrase the sentence in the description "The capability of wholesale energy markets as they are currently designed to provide economic signals capable of ensuring appropriate perspectives of cost recovery to new assets and, hence, of triggering investment decisions, is not guaranteed." to "The current wholesale market are not always suited nor sufficient to provide economic signals capable of ensuring appropriate perspectives of cost recovery to new assets and, hence, of triggering investment decisions, is not guaranteed."; • Future EU clean electricity generation mix will require: complementing the short-term wholesale market remuneration (originated in transparent and interconnected internal electricity market) by long-term signals to ensure both decarbonisation and, at the same time, the security of supply; • Competitive renewable support frameworks to provide long term visibility and stability income for the renewable assets; 	<p>Electricity storage infrastructure will not</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<ul style="list-style-type: none"> • Market-based, stable, capacity mechanisms, opened to cross-border trade and opened to any generation technology, storage and demand response; • Efficient support schemes to promote hydro-pumped storage solutions absorbing potential renewable energy spillage. For the moment, the large-scale no-regret solution is the hydraulic pumped storage (batteries likely in the future); • Regulated remuneration schemes for existing nuclear plants as long as considered necessary in Member States (MSs) energy mix. This remuneration should ensure the viability of these facilities, which provide base capacity with no carbon emissions. • CEER could include a citizen and SME focus in Work Items No 7 and 9, as it would be particularly helpful to have a better regulatory overview of investment signals and investment conditions for citizens as a distinct group of investors in renewables and other distributed energy resource. Much of the focus on investor certainty in the energy sector to date has related to large energy companies and institutional investors. As non-professional investors, citizens face many distinct challenges in investing in technologies, so they can become active customers, including lack of information/awareness, responsibilities, regulatory and administrative burdens, and policy uncertainty. Furthermore, energy communities, along with local authorities and other SMEs, face a number of practical and regulatory challenges in raising finance for projects, which relate to forms of support, competitive bidding procedures, and regulations around public share offers; 	<p>be excluded from the proposed work.</p> <p>We will consider these observations whilst undertaking the work.</p> <p>We will consider these observations whilst undertaking the work.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
8	Benchmarking Report on Power Losses	1	13	1	<ul style="list-style-type: none"> • More attention should be given to how these calculations affect consumer bills as well as how much they might affect incentives for decentralization, such as self-consumption and storage devices; • To complete the benchmark, it would be interesting to mention which entity bears the cost of losses; • This kind of exercise is useful to set EU benchmarks. In this sense it could be interesting to build fact-based conclusions on network losses and penetration of distributed facilities. It is important to recall that the deployment of distributed energy resources do not reduce necessarily grid losses. In fact it is proven that if PV facilities are highly concentrated in certain areas and/or regulation admits net-metering schemes, grid losses are higher than in a situation with no distributed energy resources. • It would be useful to consider providing recommendations from a system perspective on how system losses can be minimised as well as to explore the interactions with digitalisation and what potential solutions could help reduce losses. • It would be beneficial to look at possible innovation developments in this area and provide some recommendations for best practices that could be adopted so as to better benchmark and reduce technical and non-technical losses. 	<p>We will consider these observations whilst undertaking the work.</p> <p>We will consider these observations whilst undertaking the work.</p>
	Cross-sectorial					

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
9	Report on Investment Conditions 2019	2	4	9	<ul style="list-style-type: none"> • More attention is needed on how these calculations affect consumer bills. The focus on the description of this report seems to be on investment security, i.e. ensure that DSOs have financing. But if the methodologies used by NRA are not adequate, consumers will be paying more than they should; • The intent to include figures to ease comparability across different regulatory regimes is welcomed. This report should account best practices in network remuneration schemes and incentives to drive investments to upgrade the grids and systems assimilating innovative solutions. The report should also put together the investment mobilised across the different countries and the roles assumed by the DSOs. • The CEER report on investment conditions could further look into recommendations to foster the financeability of the upcoming investments and the development of regulatory regimes that enable TSOs to finance the steep rise in capital expenditures while also providing regulatory certainty and visibility on an appropriate rate of return in order to foster for private investments to flow in R&D projects. 	<p>We will consider these observations whilst undertaking the work.</p> <p>We will consider these observations whilst undertaking the work.</p>
10	7 th CEER Benchmarking Report on Quality of Electricity and Gas Supply	0	11	4	<ul style="list-style-type: none"> • An effort to converge to a set of 'key' performance indicators aside of all parameters listed in the report would be welcomed. These indicators should be based on standardized reporting formats. Also, the drafting could have more direct communication with TSOs/DSOs on the data. This would improve the comparability and consistency of indicators as well as solve missing data; 	<p>We will consider these observations whilst undertaking the work.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<ul style="list-style-type: none"> This report should account best practices in capacity mechanisms and in renewable energy supporting frameworks. Other schemes should also be monitored, such as special frameworks for nuclear investment of for storage facilities (hydro pumping and large-scale batteries); 	The investment framework is outside of the scope of this report. However, investment conditions are addressed in another proposed work item.
11	Paper on Smart Economic Regulation of DSOs	1	5	10	<ul style="list-style-type: none"> Smart regulation objective should be to lower the costs for consumers. Flexibility should be added in the regulatory frameworks to adapt to rapidly changing trends and review the forecasts used in the initial assessments. The methodologies for both network tariffs and allowed revenues need to adapt to other relevant markets beyond electricity markets - for example with changing costs of debt - in a way that the risks are not all with the consumer and the benefits with the DSO; As a “regulator” it is necessary to acknowledge the evolving role of the DSOs as “regulated entities” in a more and more complex decentralizing energy system with a rising need for flexibility tools for grid management; Studies in to smarter regulation of DSOs, TSOs should consider smart solutions included in the RAB, OPEX and TOTEX and different models, such as output-based regulation. Furthermore, the wider set of tasks for DSOs and TSOs should be also be considered. For example, besides asset regulation, also regulatory incentives to innovate and create value for security of supply, market well-functioning, reducing environmental impact, facilitation of sustainable energies and digitalisation may be considered; With regard to the regulation of DSOs, it is important to 	<p>We will consider these observations whilst undertaking future work and deliverable 14 on Procedures of Procurement of Flexibility.</p> <p>We will consider these observations whilst undertaking future work and deliverable 14 on Procedures of Procurement of Flexibility.</p> <p>We will consider these observations whilst undertaking future work.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>create the right incentives for System Operators to use flexibility in a cost-efficient manner, possibly via local flexibility markets. In such a market, System Operators should be enabled to act as market participants for procuring flexibility to relieve congestion upfront;</p> <ul style="list-style-type: none"> • This deliverable is similar to deliverable 9 (network investment facilitation). The focus in deliverable 11 can be put in the definition of best regulatory practice allowing DSO to deploy full roles as independent market facilitator; • CEER's Work Items 11-14, which relate primarily to DSOs, are likely to have a significant impact on the more technologically innovative activities that energy communities envision for the future. Much of the practical, technical and regulatory arrangements around establishment and operation of community networks (i.e. micro-grids), virtual power plants, energy sharing arrangements, and procurement of flexibility services at local level will require engagement with the energy communities – not just by CEER but also by the DSOs themselves. We would like to flag these initiatives as important opportunities to begin a dialogue on how energy communities can provide benefits to the energy system, in particular by facilitating more efficient use and operation of distribution networks. 	<p>We will consider these observations whilst undertaking future work and deliverable 14 on Procedures of Procurement of Flexibility.</p> <p>The intent of this work is to undertake a broad assessment of the smart regulation of DSOs, not restricted to investment conditions. However, CEER has decided to postpone this deliverable as it is in some ways covered by deliverable 9 but also to focus more resources on other deliverables in 2019.</p> <p>We will consider these observations whilst undertaking future work and the CEER general report on digitalisation.</p>
12	Report on Digitalisation and the DSO	0	5	11	<ul style="list-style-type: none"> • The report should focus on consumers and explore consumer benefits of digitalisation. The potential of the digitalisation of DSOs can be enormous if privacy is respected and there are clear rules with regards to liability, safety and cybersecurity. The fact that DSOs, a natural monopoly, will in many circumstances hold the 	<p>The implications of digitalisation on consumers is an important aspect of a number of proposed work items both here, in the consumer section and in PEER. This deliverable will be postponed, as CEER will instead have a</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>data can raise also competition concerns.</p> <ul style="list-style-type: none"> • GDPR should be at the core of the report and its recommendations as well as strategies for good monitoring and enforcement of these rules. • Action is needed also on cybersecurity and more attention should be paid to challenges and opportunities related to the widespread use of algorithms and Artificial Intelligence. Cybersecurity is essential in terms of critical infrastructure. Some of the risk mitigation might be at the hand of DSOs, but some might come from other connected elements that might not be designed with a fit for purpose level of security. Unfortunately, the EU cybersecurity legal framework does not address these challenges and this report could provide supportive evidence to address some of these aspects within the scope of the electricity system; • As a “regulator” it is necessary to acknowledge the evolving role of the DSOs as “regulated entities” in a more and more complex decentralizing energy system with a rising need for flexibility tools for grid management. All these new evolutions also lead to rising needs for data availability and data exchange. In particular, as mentioned in Q2, the role of DSO as neutral market facilitator should be better addressed in CEER’s Strategic Objectives since data security and data privacy are necessary to protect and empower consumers. DSOs, as regulated and neutral parties, are best placed to ensure data protection and consumer privacy; • It would be welcomed if CEER stepped-up the ambition of this work item and report to support the pace of digitalisation and ambitions as set out in the Clean 	<p>public consultation paper in 2019 on digitalisation that will look at this issues in a more general way in terms of consumers and distribution systems. Future CEER work on digitalisation and the DSO will take that work as a starting point reference.</p> <p>We will consider these observations whilst undertaking other work.</p> <p>We propose to address the topic of cybersecurity in our work on PEER.</p> <p>We will consider these observations whilst undertaking future work.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>Energy Package. Digitalisation is also about new technologies, new players, new alliances and new business models, in the end affecting the whole industry and putting the consumer in the 'driving seat';</p> <ul style="list-style-type: none"> • The scope of CEER initiatives relating to digitalisation is often focusing on DSOs only. This could be widened up to other parts of the value chain; • We see this deliverable as a specific element of Deliverable 11. Fostering digitalisation is a mean to facilitate efficiently the integration of the distributed energy resources and to provide a platform for the active participation of consumers in the electricity market, allowing the delivery of advanced energy services, the smart charging of electric vehicles among them; • Regulators should look into the impact of digitalisation from an integrated system perspective, taking into account the interactions with TSOs and the empowered customers as well as various new actors, and the data they will provide as well as the appropriate arrangements for that. 	<p>We agree that digitalisation will have impacts across the market and beyond DSOs. For 2019, CEER will consult on the dynamic regulation that enables digitalisation of the energy sector.</p> <p>We will consider these observations whilst undertaking future work.</p>
13	Report on Decarbonisation Developments in the DS Grid	0	6	13	<ul style="list-style-type: none"> • Distribution of costs is an extremely important topic for consumers. The scope of this report should be substantially enlarged, as it risks singling out certain effects that might be comparatively minor. Energy intensive industries receive exemptions and/or discounts, and their flexibility has been rewarded with discounts. However, these have not always been established in a transparent way. Resulting cross-subsidies are large when they have been calculated. The scope should include self-consumers and active consumers assets 	<p>We will consider these observations whilst undertaking the work. However, given that deliverable 6 (“Report on Gas Infrastructures and the Energy transition: An analysis of needs and economic evaluation of investments”) will cover much of the same topics as this deliverable, CEER has decided to convert this deliverable to a shorter</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>(EV/Batteries), and their difficulties to connect to the grid (such as administration and costs);</p> <ul style="list-style-type: none"> • The whole system perspective should always be at the centre of CEER’s approach; • The impacts of electrification, use of hydrogen, potential stranded assets, local energy communities, as well as reconsidering tariffs and the whole system approach will also affect TSOs, and thus TSOs should be considered in scope of this study. Decentralization and the emergence of local energy communities should not lead to local markets, locking-out flexibilities for DSOs and TSOs. • Local energy communities (LECs) should be deployed on a level playing field as regards the players performing the same activities in the market. Members should enter and quit the LECs on volunteer base and keep their rights and obligations as active customers. LECs and their members should be responsible for their imbalances and be subject to fair and efficient charges for their network/system use. In particular, if LECs are engaged in networks they should assume any provision applicable to DSOs. The integration of LECs or any other regulated venture should be supported by efficiency criteria and subject to same authorizations and monitoring. In this sense, the grid duplication, the application of different regulatory regimes or the emergence of additional costs should be totally discarded. • The potential of hydrogen and biogases should be regarded in the context of the technology curve and compared to the efficiency and the cost of current low carbon alternatives. Hydrogen and biogases still require 	<p>paper covering those aspects not discussed in deliverable 6. Two other short papers on other topics will be drafted, given the freeing up of resources.</p> <p>We will consider these observations whilst undertaking the work.</p> <p>We will consider these observations whilst undertaking the work.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>technological outbreaks and the deployment of new infrastructures. A premature leap towards less efficient alternatives with higher carbon footprint than clean renewable electricity may trigger emissions lock-in and the future breakthrough of stranded assets;</p> <ul style="list-style-type: none"> • Many considerations such as sector coupling, increased share of renewables in the system, enhanced coordination between transmission and distribution level, optimisation and the right usage of the network, e-vehicles, active system management, should be taken into account in this work. 	<p>We will consider these observations whilst undertaking the work.</p> <p>We will consider these observations whilst undertaking the work.</p>
14	Report on Procedures of Procurement of Flexibility	0	7	11	<ul style="list-style-type: none"> • The report should expand scope and include alternative solutions to bring flexibility to the system – notably when flexibility will be incentivized through network tariffs and when it will be procured in the market. These different strategies will have different effects and costs. For residential consumers who might install or want to install smart appliances, batteries or EVs, there are behavioural aspects to bear in mind when considering the fairness and adequacy of the price signals that each approach will give (such as elements of trust, risk/ loss aversion, etc.); • It is important that CEER also acknowledges the need for TSOs to procure flexibility from distributed assets and that therefore TSO-DSO cooperation is needed. • To reach an efficient outcome in flexibility procurement, a future market design should foresee the possibility for customers to offer their flexibility in a market-based manner, such as via demand-side management and aggregation services. This process requires more coordination as currently the case. The creation of 	<p>We will consider these observations whilst undertaking the work and in particular whether any broader approaches to flexibility should be addressed in this report or in follow up work.</p> <p>Agree</p> <p>We will consider these observations whilst undertaking the work.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					markets for flexibility could also contribute to supporting the increased coordination needs between TSOs and DSOs via a platform facilitating sharing of data and enabling operational coordination which would be tightly linked to the flexibility market itself. This would translate into enhanced and more secure grid operation. The actors taking part in such a market – flexibility providers on the one side and System Operators on the other side - need to have confidence in the market and in emerging price signals. Thus, an option would be to have it established and operated by a neutral third party. Regarding processes and data, this would ensure confidentiality and non-discrimination as well as the required transparency. As the report wants to address best practices in place, the enera project could be included in the assessment.	
15	Partnership for the Enforcement of European Rights (PEER) – Report on national models of cooperation among different sectoral regulators in the context of consumer law enforcement	4	7	2	<ul style="list-style-type: none"> This report should identify not only overlapping issues but also gaps. This will be particularly important for exploring which fields are likely to require further interaction with other sector regulators in the future. Moreover, we believe the report should also include an analysis on how knowledge sharing could work effectively in section one (identifying areas such as behavioural insights, complaint handling, consumer engagement barriers, enforcement and incentives on compliance, natural monopoly and network tariffs practices, vulnerability, debt handling...) but also on creating joint studies and opportunities (e.g. identifying vulnerabilities, understanding the interaction of costs of those with low income, strategies of consumers to overcome utility debt etc.); 	We will consider these observations whilst undertaking the work.

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<ul style="list-style-type: none"> • At the ACER Conference, there was mentioning of a 'common target model' for Gas & Electricity, as well as other energy sources. We believe that, besides consumer organizations, also ENTSO-E, ENTSO-G and the EU-DSO Entity should be consulted in assessing the opportunities to consider reforms of the 'margins of energy regulation'; • This deliverable could also focus on agreements related to complaint handling; • Consumer protection may be viewed under two different angles: the protection to the consumers of energy services and the protection to vulnerable customers. • The protection to consumers of energy services at national level may be provided more effectively and at less cost if all regulators/agencies cooperate through a consistent and harmonized framework avoiding overlaps. CEER may reflect the current situation across the EU and suggest best practices. This analysis may unveil situations in which customer service regulation in a same country is significantly different across cities and regions (serious concern for market competition). • This deliverable should identify the best approaches in the EU in the field of the protection to vulnerable customers. Protection scheme comprise the actions, the funds and also the cooperation of the public agencies involved. Among the best examples to highlight we should find the experiences in which the protection is provided through alternatives different to the government intervention in energy prices and the experiences in which these policies are covered by social protection funds (avoiding direct cross-subsidies among energy 	<p>CEER is committed to full and open consultation.</p> <p>We will consider these observations whilst undertaking the work.</p> <p>Agree</p> <p>We will consider these observations whilst undertaking the work.</p> <p>We will consider these observations whilst undertaking the work.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>customers);</p> <ul style="list-style-type: none"> Cooperatives who raise finance directly from members, they experience particular intersections between energy regulation, economic regulation, and financial regulation. 	We will consider these observations whilst undertaking the work.
16	Partnership for the Enforcement of European Rights (PEER) – Bundled Products Regulatory Roundtable	4	7	2	<ul style="list-style-type: none"> Further development of the PEER initiative is strongly welcomed, not only in terms of bundled offers but also other emerging issues related especially to digitalisation. As pointed out in BEUC comments on the draft 3D Strategy, bundled offers open a whole new array of challenges for energy regulators who should not only coordinate with other regulators and authorities from different sectors (for instance under the PEER initiative) but also proactively address the challenges related to bundles (transparency, comparability, switching) by introducing additional consumer protections where needed; Bundled products should also incentivize consumers to provide flexibility to TSOs in order to ensure security of supply; We expect this deliverable to produce a guideline for cooperation among regulators/agencies on bundled products, ensuring full protection to the consumers, without hindering the development of market services and avoiding excessive administrative burdens; The PEER initiative has not been open to industry stakeholders, but unless companies understand the challenges, they cannot contribute to solutions. Consideration should be given to opening at least part of the intended workshop to stakeholders to improve their understanding of the challenges. 	<p>We will consider these observations whilst undertaking the work.</p> <p>We will consider these observations whilst undertaking the work.</p> <p>This is bundled products at a retail level, in the sense of non-energy products being sold with energy products, so it may not be applicable to issues of providing flexibility for TSOs.</p> <p>We will finalise the work on Bundled Products in light of the input received to the 2018 public consultation on the draft Guide.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
						CEER is committed to full and open consultation on any regulatory proposals. We will consider when best to involve stakeholders as the work develops.
17	Partnership for the Enforcement of European Rights (PEER) – Cybersecurity Regulatory Workshop	0	11	7	<ul style="list-style-type: none"> • Cyber security concerns all industries but is critical for operators of essential services such as DSOs. A more global vision should be adopted on this topic encompassing all the actors involved in the NIS directive. The resilience of each depends also on the others. Indeed, there is a cross dependency between telecommunication networks and electricity networks; • Cybersecurity is collateral with digitalisation with opportunities and risks arising at the same time. This deliverable should address the key challenges on cybersecurity for the distribution grid: <ul style="list-style-type: none"> - The real-time dimension (imposing short reaction and quick acting procedures); - The interconnectivity (a fail is spread out potentially through the whole network) - The overlap of new assets and legacy assets (old assets still alive have not been designed to solve cybersecurity challenges). Other elements to deal are the adaptation of the DSOs remuneration to investment and actions to upgrade cybersecurity and the good practices enhancing “cybersecurity culture” among the employees of DSOs. We would also expect some insight from CEER on how to address the complexity to implement 	<p>We will consider these observations whilst undertaking the work and in considering its further development. As it is a PEER item, this necessarily means that a broader group of actors will be taken into account, not just those in the energy sector.</p> <p>This work will be coordinated with a general CEER public consultation paper on digitalisation to be published in 2019.</p> <p>We will consider these observations whilst undertaking the work.</p>

	Sector and title of deliverable	Not important	Important	Very important	Further comments	CEER views
					<p>the Directive on NIS given the disparities among countries and grid companies;</p> <ul style="list-style-type: none"> • Cyber security is highly relevant to the 3D Strategy, but why place it in the PEER context? Would it not be better to have it in a cross-sectoral deliverable, focused on electricity and gas, and introduce in the scope any particular PEER perspectives? 	<p>Cybersecurity is regulated by a number of regulatory bodies and we therefore consider co-operation between them through PEER to be important. We plan on having an event in 2019 where international experts from within and beyond energy discuss cyber. So, it is a cross-sectoral deliverable.</p>

5 Conclusions

CEER appreciates and welcomes the valuable feedback and comments received on CEER's 3D Strategy and draft 2019 Work Programme.

Generally, respondents showed strong support for CEER's 3D Strategy and provided some helpful suggestions.

Our views on the specific comments received on the CEER draft 2019 Work Programme are reflected in the table above, but overall, stakeholders strongly supported that the deliverables we have proposed appropriately address CEER's proposed work areas.

CEER's focus on the consumer and retail markets is broadly supported. Generally, respondents underlined the importance of the deliverables regarding the upcoming implementation and transposition of the Clean Energy Package for all Europeans in 2019.

Respondents expressed their strong support of CEER's work on gas, where stakeholders mainly acknowledged the necessity of focussing on the innovation within the gas sector and on the follow-up of the FROG Report.

Regarding electricity proposed deliverables, respondents considered them as being important for the further development of the electricity markets.

CEER's cross-sectorial work, stakeholders supported CEER's efforts on providing further insights on how flexibility procurement procedures could be arranged to reach an efficient outcome and how incentives are given in regulation to DSOs to use flexibility and TSO-DSO interaction on the procurement of flexibility.

The comments received in response to this consultation will be reflected in the development of CEER's 3D Strategy and 2019 work programme and, where appropriate, in later Work Programmes from 2020 and onwards and in the continuous development of CEER's 3D Strategy. In the event of unpredictable developments, CEER will make any necessary changes to the proposed 3D Strategy and Work Programme 2019.

Annex 1 – About CEER

The Council of European Energy Regulators (CEER) is the voice of Europe's national regulators of electricity and gas at EU and international level. CEER's members and observers (from 37 European countries) are the statutory bodies responsible for energy regulation at national level.

One of CEER's key objectives is to facilitate the creation of a single, competitive, efficient and sustainable EU internal energy market that works in the public interest. CEER actively promotes an investment-friendly and harmonised regulatory environment, and consistent application of existing EU legislation. Moreover, CEER champions consumer issues in our belief that a competitive and secure EU single energy market is not a goal in itself but should deliver benefits for energy consumers.

CEER, based in Brussels, deals with a broad range of energy issues including retail markets and consumers; distribution networks; smart grids; flexibility; sustainability; and international cooperation. European energy regulators are committed to a holistic approach to energy regulation in Europe. Through CEER, NRAs cooperate and develop common position papers, advice and forward-thinking recommendations to improve the electricity and gas markets for the benefit of consumers and businesses.

The work of CEER is structured with a number of working groups and work streams, composed of staff members of the national energy regulatory authorities, and supported by the CEER Secretariat. This report was prepared by the CEER Work Programme Drafting Committee.

More information at www.ceer.eu.

Annex 2 – List of Respondents

Organisation
BDEW E.V.
BEUC, The European Consumer Organisation
BUYLE LEGAL
CEDEC, THE EUROPEAN FEDERATION OF LOCAL ENERGY COMPANIES
EDF
EDSO for Smart Grids
ENVIRONMENTAL DEFENSE FUND
EPEX SPOT
EUROGAS
EUROPEX
GEODE
IBERDROLA, S.A
NEON, NATIONAL ENERGY OMBUDSMEN NETWORK
RESCOOP.EU
TEKNISKA VERKEN I LINKÖPING AB
TENNET TSO
WINDEUROPE