



Fostering energy markets, empowering **consumers**.

Evaluation of Responses

Stakeholder comments on CEER Work Programme 2023

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EXECUTIVE SUMMARY

The Council of European Energy Regulators (CEER) appreciates and welcomes the comments and feedback received to the public consultation on its draft 2023 Work Programme (WP). CEER received feedback on specific questions related to our priorities in 2023 (the draft Work Programme work areas) as well as individual work items. Overall, although there were differences of views, respondents expressed strong support for our proposed draft work items.

CEER has reviewed its draft 2023 Work Programme to take into account suggestions made by stakeholders and has provided further clarification and detail on the planned work items. The final Work Programme also reflects recent developments in the energy sector according to the current energy policy at the European level. Furthermore, the current energy crisis has promoted an unprecedented impact in the energy sector which required regulators' attention and demanded particular analysis.

As a result, regarding the 2023 Work Programme, 20 work items will be pursued by CEER during 2023, alongside a range of ongoing activities and carry-over items from the 2022 Work Programme.

This evaluation of responses document accompanies the final CEER 2023 Work Programme and provides CEER's considered reaction to the comments submitted.

1. Stakeholder feedback and comments

The public consultation on the draft 2023 Work Programme was launched on 22 June 2022. Reactions were sought, via an online questionnaire, by 12 August 2022.

The comments were received from a variety of organisations (Annex 2). CEER appreciates the involvement, input from respondents and comments provided on our draft 2023 Work Programme.

The present document summarises the views expressed by respondents and presents the conclusions CEER draws from them.

CEER's final 2023 Work Programme is available on the CEER website. In line with our current practice, opportunities for stakeholder involvement in our work are possible via responding to public consultations or participating in workshops and events. All information and activities are published online on www.ceer.eu and updated on a regular basis.

1.1. General comments on the draft CEER 2023 WP

In general, stakeholders welcome, agree, and support the approach and methodology followed by CEER in developing its 2023 Work Programme. Stakeholders expressed agreement in particular with the strong consumer angle of CEER's annual work driven by the overall strategy approved for 2022 till 2025. Notably, stakeholders emphasised the need to prioritise the CEER 2023 Work Programme according to the current energy crises in the EU.

1.2. Comments on individual work items

The table below provides an overview of the comments received to the deliverables that were presented in the public consultation on the draft CEER 2023 Work Programme in June 2022. CEERs' reaction and views to this input is included in the right-hand column of the table.

	Sector and title of work item	Comments received	CEER views
	Consumers and retail markets		
1	ACER-CEER Energy Retail Markets and Consumer Protection Report	<ul style="list-style-type: none"> • 4 respondents commented on this item. • Several respondents welcomed this report which is providing useful insights into the retail market developments. • One respondent highlighted that when monitoring different aspects of empowerment and protection mechanisms, it is also important to determine the extent to which market functioning and market developments are inclusive and benefit all consumers or just a specific group only. • Another respondent commented that they are not in favour of measures on the wholesale market in case of the energy crisis, but rather targeted actions for most vulnerable consumers. These actions should not distort the competition on the market and their cost should not be borne by suppliers. • One respondent asked to clarify which consumers will be considered in the scope of the upcoming report as different consumer empowerment models should be considered for different profiles. Furthermore, a discussion on specific indicators (e.g. switching rate) must be coupled with a whole system analysis, as individual market indicators may not reflect market conditions 	<ul style="list-style-type: none"> • CEER welcomes the valuable insights and comments received. CEER fully agrees with a targeted monitoring approach that considers different consumer profiles, as well as the need for targeted consumer protection measures. • As the energy crisis continues into 2023, CEER will continue to include an analysis of current events in the next Market Monitoring Report, including sections dedicated to consumer empowerment and consumer protection.

	Sector and title of work item	Comments received	CEER views
		accurately.	
2	Report on Consumer Empowerment and Protection during and after Crisis (scenarios)	<ul style="list-style-type: none"> • 5 respondents commented on this item. • One respondent noted the need to encourage consumers to change their behaviours. • One respondent suggested evaluating the Commission's legislative proposals (Fit for 55 and Hydrogen and Gas Decarbonisation package) currently under scrutiny in the Parliament and the Council. • One respondent would be interested in an analysis of the status of the implementation of the CEP and how it may or may not have affected the situation in various Member States (which gaps exist between current provisions at EU-level, e.g. which consumer protection measures are already included in the electricity directive) and their implementation at the Member State-level. 	<ul style="list-style-type: none"> • CEER is committed to performing a long-term analysis of NRAs' roles in crisis scenarios, drawing conclusions, lessons learned and recommendations for future emergency scenarios. In parallel, CEER strives to analyse and follow relevant legislative developments at the EU level with a consumer and retail lens, under the Fit for 55 Package.
3	Review of the metrics in CEER's 2017 Handbook for National Energy Regulators in light of the CEP implementation	<ul style="list-style-type: none"> • 5 respondents commented on this item • Three respondents emphasised the need for widespread smart-meter roll-out and data access in the consumer's interest, accompanied by a fast development of grid infrastructure to empower consumers. 	<ul style="list-style-type: none"> • CEER appreciates and welcomes the valuable feedback and comments received. New market players and the analysis of flexibility aspects are essential to monitoring throughout the implementation of the Clean Energy Package. CEER will strive to update the Handbook accordingly, taking into account aspects such as grid

	Sector and title of work item	Comments received	CEER views
			flexibility and increasing digitalisation.
	Distribution systems		
4	CEER Cybersecurity Report on Europe's Electricity and Gas Sectors	<ul style="list-style-type: none"> • 5 respondents commented on this item. • Two respondents welcomed this report as for the DSOs cybersecurity measures are relevant as a higher degree of digitalisation of the distribution grid increases the risk of cyber-attacks. • One respondent noted that the coordinated actions at EU level should be strengthened to ensure more resilient European electricity and gas markets. • It was not clear for two respondents whether the report will cover only DSOs or the whole electricity system stakeholders, which will also have to implement cybersecurity measures. In addition, the report can be enlightened by the Cybersecurity Network Code on cross-borders flow of electricity as recently submitted by ACER. • One respondent welcomed the intention to treat the electricity and gas markets in an integrated way. 	<ul style="list-style-type: none"> • The report presents recommendations that address different aspects of cybersecurity, which in the view of CEER, are crucial to establishing a sufficient cybersecurity posture in line with the needs of the current energy markets in the European Union and current legislative projects. • CEER is open to further and strengthened coordination at EU level. • CEER clarifies that the report does not only cover DSOs even though it comes from a workstream in the Distribution Systems Working Group. • The recommendations are directed to the whole electricity system stakeholders who play

	Sector and title of work item	Comments received	CEER views
			<p>or are expected to play an active role in the complex resolution of the cybersecurity issues for the energy system.</p> <ul style="list-style-type: none"> • CEER continues its efforts to further electricity and gas market integration.
	Electricity		
5	Report on high market prices and RES support systems	<ul style="list-style-type: none"> • 4 respondents commented on this item. • It was suggested to call into question the operating rules of the wholesale electricity markets. The operating mechanism should not prevent encouraging the construction of new production units. • One respondent was of a view that the current market design does not provide necessary long-term investments signals to ensure the necessary investments. • Another respondent encouraged CEER to consider the short-, medium-, and long-term implications of any recommended measures, including setting a price-cap on gas at the EU level. It was welcomed that CEER recognise to better define the roles of new market participants. • One respondent said that the clear distinction should be made in the analysis between short-term wholesale market prices and consumer prices. It would be interesting also to see the structure of consumer prices across Europe. 	<ul style="list-style-type: none"> • The intention of this report was to check how the higher market prices influenced current support systems. The title of the report was to be “high market prices and RES support systems” • Any operating rules of wholesale markets are not included in the scope of the report as planned so far. • No recommendation was intended especially in relation to gas or gas prices. • An analysis of short-term wholesale market prices or consumer prices.
6	3 rd CEER paper on unsupported	<ul style="list-style-type: none"> • 4 respondents commented on this item. 	<ul style="list-style-type: none"> • This report was supposed to be an update of the

	Sector and title of work item	Comments received	CEER views
	RES	<ul style="list-style-type: none"> • All respondents found this report very useful. • One respondent mentioned while being in favour of accelerating the RES development, the simplification of administrative procedures and processing of litigation appeals in all MS would be necessary. • One respondent suggested to either add a chapter to this report or create a new report on the renewable and low-carbon gas support scheme. • Another respondent proposed to take into consideration the legislative proposals on permitting procedures and the role of the grid operators. • One respondent would be interested in analysing and quantifying the blocking factors for renewable energy deployment (for example, how much time is needed to get a permit). 	<p>“Unsupported RES report”.</p> <ul style="list-style-type: none"> • Administrative procedures for installations reaching the end of the support time are not the focus of the report but questions regarding specific rules/laws or changes regarding this topic could possibly be implemented. • Gas is out of the scope of the Electricity Working Group, but the suggestion could be considered by the Gas Working Group. • Permitting procedures for existing plants are not at the core of this report. Nevertheless, as mentioned above, we can possibly ask regarding specific rules/laws or changes. • The report does not cover new installations but mainly focuses on installations that are reaching the end of their support time.
	Gas		

	Sector and title of work item	Comments received	CEER views
7	Accompanying the Hydrogen and Decarbonised Gas Market Package along the legislative process	<ul style="list-style-type: none"> • 5 respondents commented on this item. • One respondent expressed clear support of an open regulatory framework enabling diverse decarbonisation perspectives (hydrogen, biogas, biomethane, synthetic methane), with one common framework for all gases, including hydrogen. The use of the Regulatory Asset Base is encouraged to be used as a steppingstone to invest in H2 networks, and the development of combined network operators, as this allows for the operation of H2 networks alongside natural gas networks in the short term, and the operation of H2 networks alongside other clean and renewable gas networks in the long term. • Another respondent expressed the support of the development of hydrogen. But the massive production of renewable hydrogen requires the availability of electricity. However, carbon-free electricity production capacities are currently insufficient in Europe and allocated in priority to the needs of industrial and residential consumers. It seems premature to set up a hydrogen regulation model directly duplicating the regulation of natural gas. • One respondent proposed to consider a Hydrogen Target Model to ensure that network codes are consistent once the Hydrogen and Gas Market Decarbonisation Package is approved. • One respondent stressed the importance to keep the gas DSOs involved in the related discussions. • Finally, one respondent requested the same input from regulators on the REPowerEU legislative proposals. 	<ul style="list-style-type: none"> • On facilitating the development of the hydrogen sector, ACER-CEER promotes a level-playing field between different energy solutions while at the same time avoiding undue cross-subsidies between different energy vectors. On horizontal unbundling, we agree with allowing gas infrastructure operators to also engage in hydrogen infrastructure activities, with legal unbundling as the main requisite. • We agree that a gradual and flexible regulatory approach should be employed to facilitate the emergence of hydrogen markets without necessarily adopting a one-size fits all approach from the outset. • On developing reflections on the Hydrogen Target Model, we take note of the suggestion as a possible additional deliverable. • We take note of the suggestion to keep the gas DSOs involved in the discussions. Meetings

	Sector and title of work item	Comments received	CEER views
			<p>were held between ACER-CEER and relevant DSO associations such as GEODE and CEDEC.</p> <ul style="list-style-type: none"> • Feedback on the REPowerEU Action Plan is outside the scope of this deliverable.
8	<p>Regulators' reflections on enabling the injection of renewable and low-carbon gases and ensuring their access to the wholesale market, including any impacts on the functioning and design of entry-exit systems</p>	<ul style="list-style-type: none"> • 5 respondents commented on this item. • One respondent considered the development of biogas to be a priority, as it already has a large source of supply in Europe and benefits from access to the infrastructure set up for the transport, distribution, and storage of natural gas. This development must be accompanied by the establishment of a European market for guarantees of origin to give the end consumer the certification of a supply of renewable gas. • One respondent mentioned that they see two points on energy system integration missing: <ul style="list-style-type: none"> ○ A revision of the effects of biogas support schemes over the injection of renewable gas into the system; and ○ Like in the electricity sector, the connection regime may constitute an important economic barrier for renewable gas projects. Therefore, an overview of the different national connection schemes and/or general recommendation on the cost-allocation of connection costs between producers and other system users or consumers will be welcomed. • Another respondent noted that as long as the distribution becomes a significant entry point for gas and hydrogen systems, it should be 	<ul style="list-style-type: none"> • On prioritising the development of biogas and adding points on energy system integration, ACER-CEER promote a level-playing field between different energy solutions while at the same time avoiding undue cross-subsidies between different energy vectors. • We take note of the suggestion for an overview of the different national connection schemes between producers, consumers and other system users as part of this deliverable. • On distribution and unbundling, we agree to allow gas and electricity DSOs to operate a local hydrogen network. They should be at least subject to legal unbundling as well as to

	Sector and title of work item	Comments received	CEER views
		<p>subject to appropriate unbundling conditions to ensure a level playing field.</p> <ul style="list-style-type: none"> • One respondent said that clarifying the scope of the entry-exit systems is necessary especially for the implementation of tariffs discount for renewable and low carbon gases. • Finally, one respondent invited CEER to clarify what it exactly intends to investigate – or review – on the scope and definition of entry-exit systems for the application to renewable and low-carbon gases. Entry-exit systems have been a cornerstone of the gas market design for two decades and have proven their effectiveness for emergence of robust wholesale gas markets across the EU. 	<p>NRA approval and conditions.</p> <ul style="list-style-type: none"> • ACER-CEER agree that a clear definition of entry-exit tariff systems is crucial to a well-functioning European energy market. • NRAs intend to clarify the scope of entry-exit systems for decarbonised gases to avoid misinterpretations and over-regulation of the distribution level. Moreover, they aim to ensure the participation of local producers in the wholesale market via alternative solutions to full integration of transmission and distribution levels. This work will be done in regard to the ongoing legislative process of the Decarbonisation Package.
9	Targeted recommendations on storage regulation to support security of supply	<ul style="list-style-type: none"> • 2 respondents commented on this item. • One respondent believed that the storage rules are sufficiently precise and do not need to be supplemented or made more complex. • Another respondent was of the view that it is necessary to evaluate if storage operators should be subject to the same unbundling conditions as transmission operators to ensure their neutrality. 	<ul style="list-style-type: none"> • The deliverable aims to analyse how the storage regulation will have been implemented in various aspects and draw potential lessons. The purpose is not to propose a revision of the rules per se. The status of storage

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			operators and its possible impact on the way storages will have been filled can be part of the survey.
10	The influence of new EU LNG terminals on the future European energy market	<ul style="list-style-type: none"> • 2 respondents commented on this item. • One respondent brought CEER's attention to the risk that any administrative decision on the functioning of the gas market and the determination of prices, and in particular of LNG, would affect negatively Europe's supply. In addition, it considered that control of the entire LNG chain, from supply in the producing country to access to regasification terminals, including access to liquefaction capacity and control of the shipping can only be exercised by operators traditionally active on the LNG market and is not the responsibility of the European Commission. • One respondent said that this Paper should not only be focused on new LNG terminals but also include in the assessment how to increase the usage of existing ones. For example, the existing capacity of the LNG terminals in the Iberian Peninsula. 	<ul style="list-style-type: none"> • CEER recognises the risk of administrative decisions and reminds that they are carefully considered and weighed against potential drawbacks before implementation. • Responding to the second comment, which intends to increase the scope of the study, CEER states that the proposal will be considered and responded to according to the capacities of the drafting team.

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	International Relations		
11	CEER Strategy Document for International Activities	<ul style="list-style-type: none"> No respondent provided a comment on this item. 	<ul style="list-style-type: none"> The IRG will work on the deliverable as initially set out.
	Legal Affairs		
12	Public workshop on the LAC TSO/DSO unbundling report	<ul style="list-style-type: none"> 3 respondents commented on this item. One respondent considered that the hydrogen market has not yet reached sufficient maturity to transpose the unbundling rules applied for natural gas directly to hydrogen. One respondent welcomed this proposal as it is a critical time for such an assessment. Too-strict rules may not help the development of the hydrogen market. One respondent confirmed its participation in the public workshop. 	<ul style="list-style-type: none"> CEER acknowledged the comments submitted and hopes to welcome many participants to the public workshop.
	Market Integrity and Transparency		
13	Financial Regulation and the links to	<ul style="list-style-type: none"> 2 respondents commented on this item. One respondent is of a view that the wholesale market surveillance is working properly. However, the sectoral regulation should remain 	<ul style="list-style-type: none"> CEER welcomes and appreciates the confidence and trust shown by stakeholders

	Sector and title of work item	Comments received	CEER views
	REMIT	<p>within the control of regulators and ACER and not be transferred to financial regulators. Finally, they drew CEER's attention to the effects of the energy crisis on margin calls applicable in the context of transactions on the organised gas and electricity markets. These margins calls have reached levels that are sometimes difficult to face for many participants in these markets, which led to favour OTC deals, which is accompanied by a significant systemic risk.</p> <ul style="list-style-type: none"> • Another respondent did not have a position on the proposed legislation to REMIT, but is interested in CEER's views and will contribute when the proposed solutions are considered. 	<p>with regard to the monitorisation and supervision of gas and electricity markets and fully agrees that the responsibility shall continue to lie with NRAs and ACER. More cooperation between financial and energy regulation is encouraged and envisaged.</p> <ul style="list-style-type: none"> • In light of the liquidity crisis in wholesale energy markets and the increased margin requirements experienced by market actors, CEER is committed to analysing the effects of the situation in wholesale gas and electricity markets and the adequate measures to address these.
	Regulatory Benchmarking		
14	Assessment of the internal organisation of NRAs	<ul style="list-style-type: none"> • 2 respondents expressed their views on this item. • One of the respondents expressed their support for the fact that regulators should have the material and human resources to carry out their missions. 	<ul style="list-style-type: none"> • The report should indeed provide an overview of the NRAs' resources to be increased due to the new tasks allocated to NRAs.

	Sector and title of work item	Comments received	CEER views
		<ul style="list-style-type: none"> • Another respondent appreciated this important assessment as for DSOs it is important to understand the structure of the regulatory authority and how it evolves over time. 	<ul style="list-style-type: none"> • DSOs' issues and related topics are gaining in importance and should be reflected in the working arrangements of NRAs.
	Recurring/Cross-sectoral		
15	Regulatory Frameworks Report 2023	<ul style="list-style-type: none"> • 3 respondents commented on this item. • One respondent highly appreciated the report as is, but it should highlight the importance of energy infrastructure in the context of massive electrification and give a better overview of regulatory work across Europe. • Another respondent welcomed this interesting report providing best practices. • The new format adopted in 2019 fails to provide a transversal comparison of practices summarising in one table the practice for each of the relevant parameters. 	<ul style="list-style-type: none"> • CEER notes that the RFR is meant to give a factual overview and is not meant to make statements of any kind. Moreover, the report does not aim to explain the importance of the energy infrastructure, which is nevertheless evitable. However, energy networks are natural monopolies that must be regulated. As regulators, we, therefore, focus on the existing regulatory systems and instruments. • CEER takes note of the comment on the format of tables. Given the diversity of regulatory systems, a full comparison in table format proved to be infeasible. For the

	Sector and title of work item	Comments received	CEER views
			<p>RFR22, the tables were already improved by adding a brief fact sheet with a rough overview for each country. However, the European regulatory regimes are too complex to explain only on one page. The facts sheets provide a rough overview.</p> <ul style="list-style-type: none"> • Furthermore, the now existing triangle of 1) the main report, 2) annex 5 (case studies) and 3) annex 6 (new general case study) merges the main facts, a good overview, and a light comparison regarding a common regulatory corridor which uses the same regulatory instruments.
16	TSO Cost Efficiency Benchmark (TCB21)	<ul style="list-style-type: none"> • 2 respondents commented on this item. • One respondent welcomed the continuation of this benchmarking work. • Another respondent was of the view that the benchmark should include all EU countries. 	<ul style="list-style-type: none"> • CEER welcomes and supports the approach of including as many EU NRAs in the TCB as possible to achieve a comprehensive picture. However, ultimately it is the decision of each individual NRA whether to join the project or not.

2. Conclusions

CEER appreciates the valuable suggestions and comments received. Given the reactions, we consider that our effort to set up a meaningful work plan for 2023 is generally endorsed by respondents.

Stakeholders strongly supported the main proposed areas of principal relevance for CEER's Work Programme in 2023.

CEER views on the specific comments received on the CEER draft 2023 Work Programme have been reflected in the table above, but overall, stakeholders strongly supported that the work items we have proposed appropriately address CEER's key core areas. In many areas, whilst supporting the proposals overall, some respondents have taken the opportunity to contribute views on the specific substance of the proposed work items.

CEER's focus on the consumer and retail markets is broadly supported. In general, stakeholders welcome the proposed work plan from a consumer perspective since that will contribute to stronger consumer participation in the energy market.

Regarding CEER's work on the distribution network, stakeholders provided their support to the proposed report on cybersecurity.

The comments received in response to this consultation were reflected in the development of CEER's 2023 Work Programme and, where appropriate, will be in later Work Programmes from 2024 and onwards.

In the event of unpredictable developments, CEER will make any necessary changes to the proposed Strategy and Work Programme 2023.

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 39 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
GEODE
UPRIGAZ
Naturgy
Enagás SA
EDF
ENEL SpA
CEDEC
Vizbox
Enedis
Eurelectric