



## **CEER- ARIAE MEETING**

**20 APRIL 2017 – Panama City**

Remko Bos, CEER Vice President

**EU Clean Energy Package**



## Agenda

- Development of the EU energy market: process towards an Internal Energy Market (IEM)
- Regulatory cooperation in the EU: role of ACER/CEER
- ACER/CEER Bridge to 2025 paper (2014)
- EU energy & climate goals 2050
- Background and objectives of the “Clean Energy Package” (CEP)
- Key elements of the legislative package
- Key messages by CEER: markets, security of supply and consumers
- Conclusions



# Development of the Internal Energy Market (IEM)

## 1. Energy Package (1996)

- Electricity-Directive 96/92/EU
- Gas-Directive 98/30/EU

## 2. Energy Package (2003-2005)

- Electricity-Directive 2003/54/EU
- Gas-Directive 2003/55/EU
- Reg.1228/2003/EU on conditions for access to the network for cross-border exchanges in electricity
- Reg.1775/2005/EU on Conditions for access to the gas transmission networks

## 3. Energy Package (2009)

- Electricity-Directive 2009/72/EU
- Reg. 713/2009/EU establishing an Agency for the Cooperation of Energy Regulators
- Gas-Directive 2009/73/EU
- Reg. 714/2009/EU on conditions for access to the network for cross-border exchanges in electricity
- Reg. 715/2009/EU on conditions for access to the natural gas transmission networks

EU Commission proposals on “Clean Energy for all Europeans” (Dec 2016)

1996 - 2009



## Regulatory Cooperation in the EU

Council of European Energy Regulators (**CEER**): since 2000 (Brussels)

- To facilitate the creation of single, competitive, efficient and sustainable IEM

European Regulators Group for Electricity and Gas (**ERGEG**): since 2003

- Formal advisory group to the EU Commission

Agency for the Cooperation of Energy Regulators (**ACER**): since 2011

- Created by 3rd Energy Package, formal EU Agency, based in Ljubljana (Slovenia)



## ACER-CEER Bridge to 2025 paper (2014)

- ▶ Establish liquid, competitive and integrated wholesale energy markets
- ▶ Establish a roadmap aimed at **competitive and innovative retail markets** by 2025
- ▶ Promote **flexible response**, and its provision by generators and consumers on a non-discriminatory basis
- ▶ Ensure that the **market for new service providers** is not foreclosed by incumbents
- ▶ Develop the **Gas Target Model** to manage the uncertainty about future gas demand
- ▶ **Promote security of supply** through greater consistency of assessment and policy mechanisms
- ▶ **Protect and empower consumers** to participate actively in energy markets;
- ▶ Improve **regulatory oversight** of Transmission System Operators (TSOs) and of other bodies (e.g. power exchanges)
- ▶ Reinforce **regulatory cooperation** at EU level

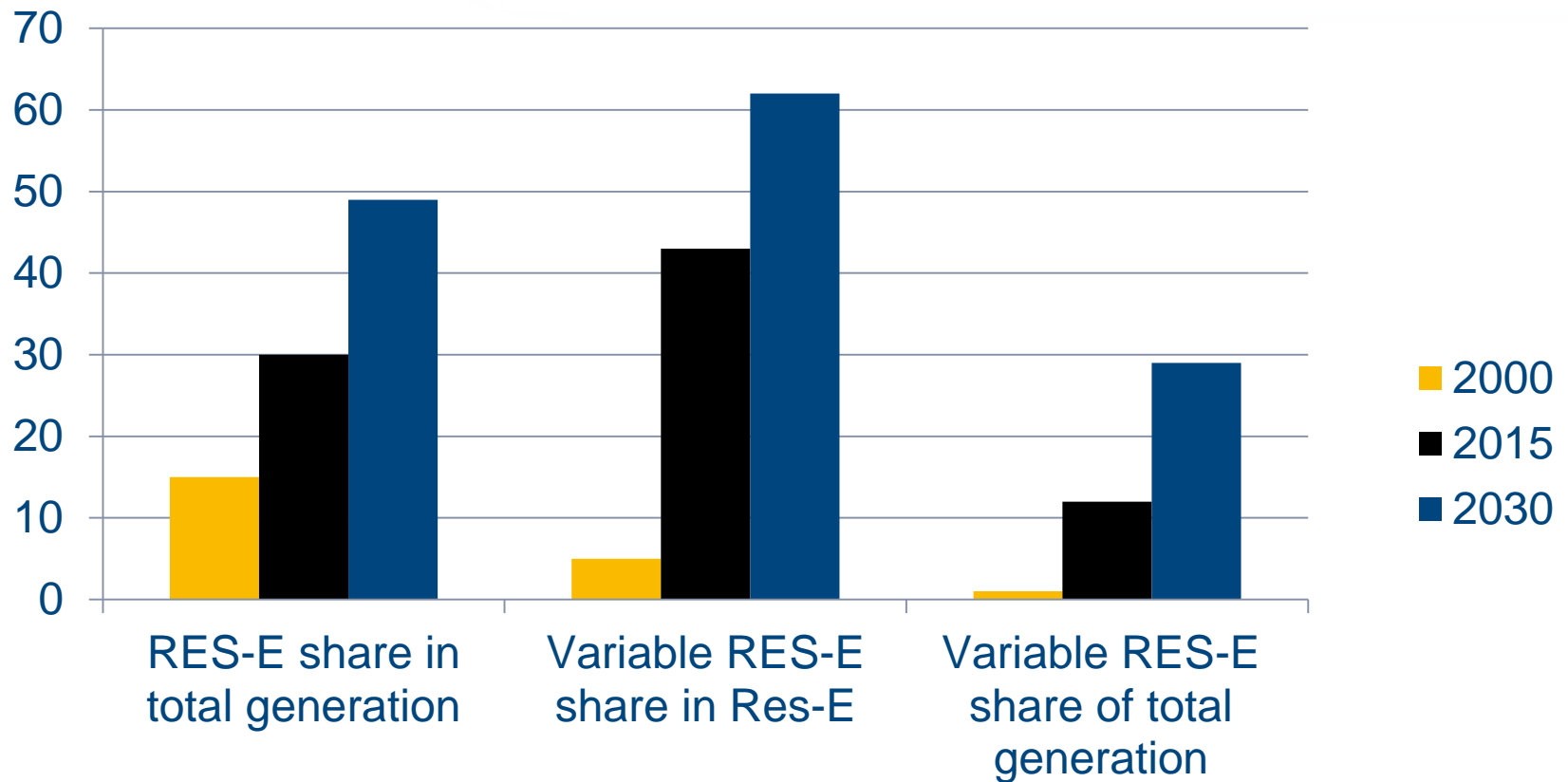


# The IEM will help to achieve European goals 2050

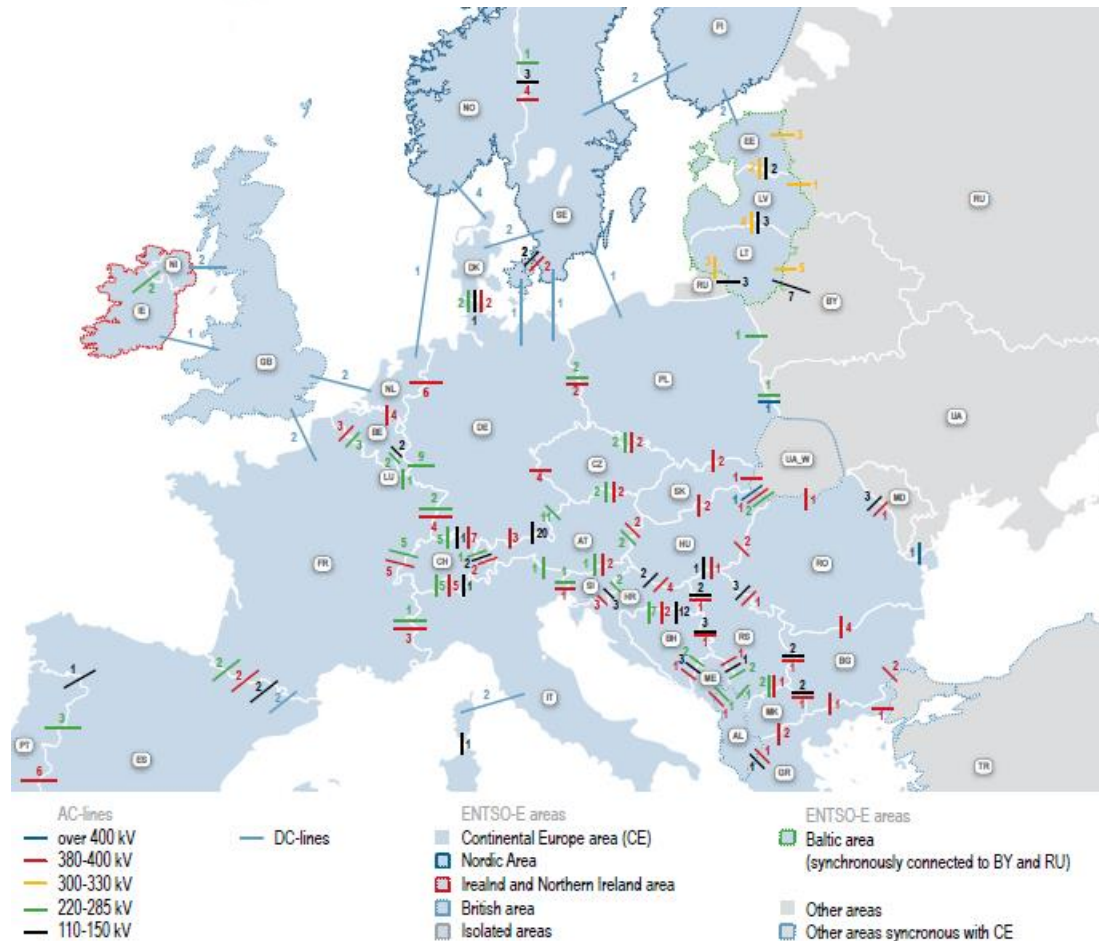
- ▶ Creating jobs & growth, reducing greenhouse gas emissions, improving energy security
- ▶ 2030: 50% of electricity to come from renewables
- ▶ 2050: electricity completely carbon free



## Increasing share of (variable) RES



# Simplified diagram of interconnectors in Europe



## **“Clean Energy Package for all Europeans” (CEP)**

Recast:

- Renewable Energy Directive
- Energy Efficiency Directive
- European Performance of Building Directive
- Electricity Regulation
- Electricity Directive
- ACER Regulation

New:

- Risk preparedness Regulation
- Regulation on Energy Union Governance



## Main policy objectives CEP

- empowering consumers and enhance their participation
- support energy transition
- create opportunities for jobs, growth and investment
- improve market functioning: create price signals
- access to all players
- increase security of supply
- increased coordination between governments, TSO's and regulators



# Key elements of the market design proposal

**Competitive energy markets are at the heart of a competitive economy**



Source: COM



## Reaction CEER (general)

- Support for the analysis and the objectives of the Commission
- Shared goal of creating liberalized, integrated, sustainable and secure energy markets to the benefits of all energy consumers
- Need for an improved market design & better coordination at the European and regional level

Current process:

- political debate in EU Council of Ministers + European Parliament
- CEER-ACER: include the regulators' perspective



## Key messages by CEER (1)

### Market development

- Work on improved market functioning
- Get the right price signals at all times
- Create incentives for new investments
- Provide equal market access to all players
- Balancing responsibility for all parties
- Increase cooperation between TSOs and DSOs
- Support for renewables: avoid market distortion + technology neutral



## Key messages by CEER (2)

### Security of Supply (SoS)

- Need for more coordination:
  - between governments: adequacy assessment and risk preparedness plans
  - between TSOs: regional operational centres
  - between regulators: promote regional solutions for SoS concerns
  - avoid unnecessary market distortions and limitation of cross border trade
- Apply strict rules to capacity remuneration schemes (CRMs):
  - priority to development of “energy only”- markets
  - in case of CRM: avoid market distortion/ trade restriction
  - allow for cross border participation in CRMs





## Key messages by CEER (3)

### Consumers

- respect privacy of consumers
- pay attention to quality of data
- willingness to participate: unburden consumers
- need for custom-made solutions: “no one-size-fits-all”;



## Conclusions

- Support from regulators for the analysis and objectives of the Commission
- Market improvements are necessary:
  - to get the right price signals at all times
  - to allow equal access to all players
  - to ensure a proper integration of renewables
  - to avoid limitations of cross border trade
  - to create incentives for investments
  - to ensure longer term security of supply
  - to avoid a proliferation of CRMs
- Increased cooperation is essential for a successful energy transition: governments, regulators, TSOs and DSOs
- Focus on consumer interest

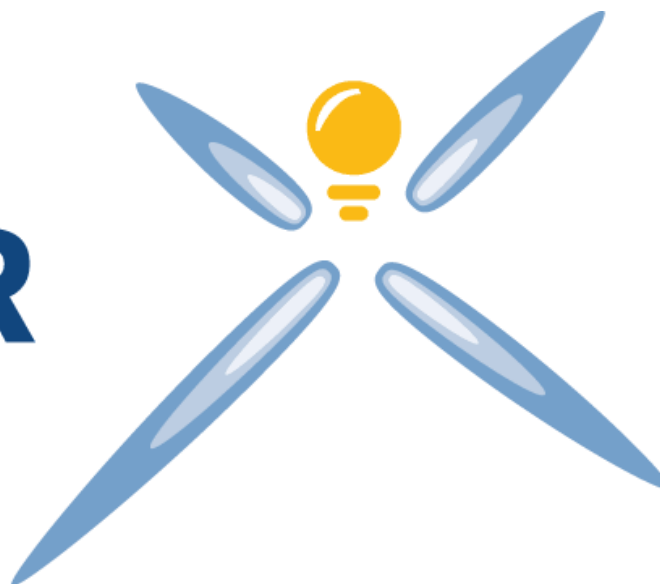




# Thank you for your attention!

**CEER**

**Council of European  
Energy Regulators**



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