



**Publishing date:** 28/09/2012

**Document title:** ACER Work Programme 2013

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**2013 Work Programme**

**of the**

**Agency for the**

**Cooperation of Energy Regulators**

## ***Director's Foreword***

The energy sector in Europe is undergoing profound changes. The 2014 target for the completion of the market integration process and the 2015 target for the removal of energy islands, set by the European Council in 2011, require new rules to support efficient cross-border exchanges and the single energy market and an expansion of cross-border capacities to remove bottlenecks in the networks. At the same time, the ambitious environmental targets for the decarbonisation of the European economy, including through an increased reliance on renewable energy sources, calls for smarter networks.

The new rules for the internal energy market will be mainly contained in the Network Codes (NCs) envisaged by the Third Energy Package; the Agency, since its formal opening in March 2011, has been intensively working in preparing the Framework Guidelines (FGs), which defines the principles and criteria for the Network Codes, and, so far, seven of the eight priority FGs have been completed, with the last one expected to be issued early in 2013. Therefore, from now on and particularly next year, the effort of the Agency in this area will be focused on assessing the NCs prepared by the European Networks of Transmission System Operators (ENTSOs) for electricity and gas, before they can be recommended for adoption.

However, having the rules in place will not be sufficient to claim that the internal market has been completed and it is functioning well. The implementation of such rules is also essential to achieve the 2014 target. The Agency has been working with the European Commission – Directorate-General for Energy, National Regulatory Authorities (NRAs), the ENTSOs and other stakeholders to promote the parallel and voluntary early implementation of the rules in the NCs. The process is fairly advanced in the electricity sector, even though there is still some distance to travel, and, has recently started in the gas sector.

A well-functioning internal market also demands transparency and integrity, to give participants and consumers confidence that wholesale energy prices reflect demand and supply fundamentals and are not adversely affected by instances of market manipulation and insider trading. For this reason the timely and proper implementation of REMIT, the Regulation on wholesale energy market integrity and transparency, is essential. REMIT assigns an important role to the Agency in supervising trading in wholesale energy markets across Europe. Market surveillance under REMIT will complement the more traditional monitoring activities that the Agency is already carrying out. Even in this respect, 2013 will be a crucial year, as a concerted effort is required next year from the Agency and NRAs to deploy the IT systems and put in place the necessary monitoring procedures.

Lastly, a new Regulation on guidelines for trans-European energy infrastructure (TEN-E Regulation) is expected to be adopted early in the new year and the Agency, in cooperation with NRAs, will be deeply involved in its implementation. The aim is to streamline and optimise the development of

European energy networks, including the deployment of smart technologies, to increase cross-border capacities and integrate renewable energy sources.

This Work Programme presents the activities that the Agency is planning to perform next year to fulfil its mission with respect to the goals outlined above. In so doing, the Agency will be able to count not only on the competence and tremendous dedication of its staff, but also on the contribution of experts from NRAs participating in the Agency's Working Groups. This has been and still is an element of great strength of the Agency's working methods, since it not only brings together the best expertise in regulatory matters available across Europe, but also allows a "reality check" with respect to the different national circumstances for the new rules and procedures that the Agency develops. I am most grateful to NRAs for this support and cooperation.

I would also like gratefully to acknowledge the continuous support of the Administrative Board and the Board of Regulators, in their respective areas of competence.

The very constructive cooperation with the European Commission, and in particular with the Directorate-General for Energy, should also be noted. A word of special thanks to stakeholders, who significantly contribute to our work through their participation in expert groups and public consultations.

Finally, I have to emphasise that the financial and human resources required to carry out the additional tasks assigned to the Agency by REMIT and the new TEN-E Regulation have still to be secured. This is reflected in the Work Programme by indicating that some activities may eventually have to be postponed if the necessary resources end up not being available.

However, in any event, my colleagues and I will continue to do our utmost best with the available resources, in the common effort to deliver a competitive, secure and sustainable internal energy market, for the benefit of European consumers and citizens.

Alberto Pototschnig, Director

Ljubljana, September 2012

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## 1. INTRODUCTION

The Agency for the Cooperation of Energy Regulators (the “Agency”) started its formal operations in March 2011. Its mission is to support the National Regulatory Authorities (NRAs) in performing their regulatory functions at EU level and to coordinate their actions where necessary. As such, the Agency aims at filling any regulatory gap on cross-border, regional or EU-wide issues.

So far the Agency has focused on developing the Framework Guidelines, which set the principles and criteria for the Network Codes. These, in turn, define the common rules for market and network operation in the EU Internal Energy Market (IEM). In this area the objective is to complete the work on those Network Codes which provide the minimum set of rules for supporting the completion of the IEM by 2014, so that they can be adopted by the European Commission under the “comitology process”. In this area, the Agency is involved, at an earlier stage, in defining the Framework Guidelines, and later on, in providing reasoned opinions, assessing the compliance of Network Codes with the corresponding Framework Guidelines, and in recommending the adoption of the Network Codes to the Commission once such compliance is ascertained.

In 2013 no new Framework Guidelines will be developed, as the focus will be on completing the process for the Network Codes related to the Framework Guidelines adopted by the Agency in 2011 and 2012.

The Agency will also continue with its monitoring activities – both on the internal energy market and on regional developments. Moreover, 2013 will be a key year for the implementation of Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (REMIT)<sup>1</sup>, with the development and deployment of the IT system for market

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<sup>1</sup> Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 8.12.2011).



participants' registration and the effective monitoring of the markets on wholesale energy products.

The proposed Regulation on Guidelines for trans-European energy infrastructure (the proposed "TEN-E Regulation")<sup>2</sup> is expected to be adopted and to enter into force at the beginning of 2013. It will promote the efficient and timely development of energy networks in priority corridors and areas. The Agency is already involved in the process of European energy network planning, through its opinions on the Community-wide ten-year network development plans; the new Regulation will assign important new tasks to the Agency in an enhanced infrastructure development framework.

On the logistical front, at the beginning of 2013 the two-year rent-free period offered by the Slovenian Government to the Agency for its current premises will come to an end and the Agency will have to select its permanent premises.

With regard to human resources, additional staff will have to be recruited to perform the new tasks under REMIT and the new TEN-E Regulation.

2013 is therefore likely to be another busy year for the Agency and this Work Programme outlines the activities and deliverables on which the Agency will work, their expected timeline, resources requirements and related risks.

A draft of this Work Programme was submitted by the Director to the Board of Regulators, to the European Parliament and to the European Commission on 30 June 2012, pursuant to Article 17(6) of Regulation (EC) No 713/2009, and published on the Agency's website. In preparation of the draft Work Programme the Agency sought:

- early comments from the European Parliament, ITRE Committee, during a meeting on 31 May 2012;

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<sup>2</sup> Proposal for a Regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC (\* COM/2011/0658 final - 2011/0300 (COD) \*).

- early stakeholders' feedback on the main areas of activity of the Agency in 2013 in a Workshop held in Ljubljana on 6 June 2012.

Furthermore, in order to ensure transparency and the Agency's commitment to extensively consult stakeholders, the draft Work Programme was presented:

- in the European Parliament, ITRE Committee, on 11 July 2012;
- to stakeholders in a Workshop in Brussels on 11 July 2012.

The Work Programme takes into account the comments received from stakeholders on the Draft published on 30 June 2012, following the presentation held on 11 July 2012.

## **2. OVERVIEW OF THE AGENCY'S TASKS**

This Section presents an overview of the tasks assigned to the Agency by the Third Legislative Package for an Internal EU Electricity and Gas Market (the "Third Package") – Directive 2009/72/EC (the "Electricity Directive"), Directive 2009/73/EC (the "Gas Directive"), Regulation (EC) No 713/2009 (the "Agency Regulation"), Regulation (EC) No 714/2009 (the "Electricity Regulation") and Regulation (EC) No 715/2009 (the "Gas Regulation")<sup>3</sup> -, REMIT,

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<sup>3</sup> Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators (OJ L 211, 14.8.2009), Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC (OJ L 211, 14.8.2009), Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (OJ L 211, 14.8.2009), Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003 (OJ L 211, 14.8.2009) and Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (OJ L 211, 14.8.2009).

Regulation (EU) 994/2010 on security of gas supply<sup>4</sup> and Commission Regulation (EU) 838/2010 on the inter-TSO compensation mechanism (the “ITC Regulation”)<sup>5</sup>.

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<sup>4</sup> Regulation (EU) No 994/2010 of the European Parliament and of the Council of 20 October 2010 concerning measures to safeguard security of gas supply and repealing Council Directive 2004/67/EC (OJ L 295, 12.11.2010).

<sup>5</sup> Commission Regulation (EU) No 838/2010 of 23 September 2010 on laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging (OJ L 250, 24.9.2010).

<b>A - Tasks assigned by the Third Package</b>		
<b>Agency's task</b>	<b>Type of action</b>	<b>Legal basis</b>
<b>Tasks regarding ENTSOs</b>		
1. Provide an opinion to the Commission on draft statutes, list of members and draft rules of procedure of ENTSOs	Opinion	Article 6(1) Reg 713/2009; Article 5(2) Reg 714/2009, and Article 5(2) Reg 715/2009
2. Monitor the execution of ENTSOs tasks	Monitoring	Article 6(2) Reg 713/2009; Article 9 Reg 714/2009, and Article 9 Reg 715/2009
3. Provide an opinion to ENTSOs on the draft annual work programme, the draft Community-wide network development plan and other relevant documents (e.g. annual summer and	Opinion	Article 6(3)(b) Reg 713/2009; Article 9(2) Reg 714/2009; Article 9(2) Reg 715/2009

winter supply outlooks)		
<p>4. Provide, based on matter of facts, a duly reasoned opinion as well as recommendations to ENTSOs, the Commission, the European Parliament and the Council where it considers that the draft annual work programme or the draft Community-wide network development plan do not comply with the objectives or the relevant provisions of the Third Package</p>	<p>Reasoned opinion, recommendation</p>	<p>Article 6(4) Reg 713/2009; Article 9(2) Reg 714/2009; Article 9(2) Reg 715/2009</p>
<p>5. Monitor the implementation of Community-wide NDPs, investigate the reasons for inconsistencies between Community NDPs, and their implementation and make recommendations to TSOs, NRAs or other</p>	<p>Monitoring, recommendation</p>	<p>Article 6(8) Reg 713/2009</p>

competent bodies		
6. Provide opinions to NRAs – at NRAs' request - and recommendations to ENTSOs or NRAs to ensure consistency of national 10yr-network development plans with the Community-wide 10yr-network development plans	Monitoring, opinion, recommendation	Article 8(11) Reg 714/2009; Article 8(11) Reg 715/2009; Article 22(5) Dir 2009/72; Article 22(5) Dir 2009/73
7. Provide an opinion to ENTSOs on network codes not relating to areas covered by a request addressed to the ENTSOs by the Commission	Opinion	Article 6(3)(a) Reg 713/2009; Article 8(2) Reg 714/2009; Article 8(2) Reg 715/2009
8. Participate in the development of network codes relating to areas covered by a request addressed to the ENTSOs by the Commission	–	Article 6(4) Reg 713/2009; Article 6 Reg 714/2009 Article 6 Reg 715/2009

<p>9. Submit non-binding framework guidelines to the Commission, carry out consultation on draft framework guidelines; if necessary, review the framework guidelines and re-submit them to the Commission</p>	<p>Submit draft, consultation</p>	<p>Article 6(4) Reg 713/2009; Article 6(2) and (4) Reg 714/2009; Article 6 (2) and (4) Reg 715/2009</p>
<p>10. Provide a reasoned opinion to ENTSOs on network codes developed on the basis of framework guidelines</p>	<p>Reasoned opinion</p>	<p>Article 6(4) Reg 713/2009; Article 6(7) Reg 714/2009; Article 6(7) Reg 715/2009</p>
<p>11. Submit network codes developed by ENTSOs on the basis of framework guidelines to the Commission and recommend that they be adopted</p>	<p>Recommendation</p>	<p>Article 6(4) Reg 713/2009; Article 6(9) Reg 714/2009; Article 6(9) Reg 715/2009</p>
<p>12. Prepare and submit draft network codes to Commission, at the request of the</p>	<p>Drafting, recommendation</p>	<p>Article 6(4) Reg 713/2009; Article 6(10) Reg 714/2009;</p>

Commission and where the ENTSO failed to develop a network code upon a Commission's request		Article 6(10) Reg 715/2009
13. Propose amendments to network codes	Proposal	Article 7(1) and (2) Reg 714/2009; Article 7(1) and (2) Reg 715/2009
14. Provide duly reasoned opinion to the Commission, where ENTSOs have failed to implement a non-binding network code	Opinion	Article 6(5) Reg 713/2009; Articles 8(2) and 9(2) Reg 714/2009; Articles 8(2) and 9(2) Reg 715/2009
15. Monitor and analyse the implementation of binding network codes and Guidelines, and report to the Commission	Monitoring, report	Article 6(6) Reg 713/2009; Article 9(2) Reg 714/2009; Article 9(2) Reg 715/2009
16. Monitor progress as regards the implementation of projects to create new	Monitoring	Article 6(7) Reg 713/2009



interconnector capacity		
17. Monitor regional cooperation of TSOs; take due account of the outcome when formulating its opinions, recommendations and decisions	Monitoring	Article 6(9) Reg 713/2009; Article 12 Reg 714/2009 Article 12 Reg 715/2009
<b>Tasks regarding NRAs</b>		
18. Provide a framework for NRAs' cooperation. Promote cooperation between NRAs and regulatory authorities at regional and EU level. Make recommendations on binding rules for cooperation to the Commission	Cooperation, recommendation	Article 7(3) Reg 713/2009; Article 6(2) Dir 2009/72 Article 7(2) Dir 2009/73
19. Adopt individual decisions on technical issues as provided for in the Third Package	Decision	Article 7(1) Reg 713/2009

<p>20. Provide recommendations on the harmonisation of technical rules</p>	<p>Recommendation</p>	<p>Article 5 Dir 2009/72; Article 8 Dir 2009/73</p>
<p>21. Provide recommendations to assist NRAs and market players in sharing good practices</p>	<p>Recommendation</p>	<p>Article 7(2) Reg 713/2009</p>
<p>22. Provide an opinion on whether a NRA decision complies with Guidelines or other relevant provisions of the Third Package and inform the Commission and the MS concerned where the NRA does not comply with the opinion of the Agency</p>	<p>Opinion</p>	<p>Article 7((4) and (5) Reg 713/2009; Article 39 Dir 2009/72; Article 43 Dir 2009/73</p>
<p>23. Deliver an opinion when an NRA encounters, in a specific case, difficulties with application of Guidelines</p>	<p>Opinion</p>	<p>Article 7(6) Reg 713/2009</p>

<p>24. Provide an opinion on decisions of NRAs on TSO certification. At the request of the Commission, express its views on the certification of third countries TSOs</p>	<p>Opinion</p>	<p>Article 9(2) Reg 713/2009; Article 3(1) Reg 714/2009; Article 3(1) Reg 715/2009; Article 11(6) Dir 2009/72; Article 11(6) Dir 2009/73</p>
<p><b>Tasks regarding terms and conditions for access to and operational security of cross-border infrastructure</b></p>		
<p>25. Decisions on cross-border infrastructure, including exemption decisions for new interconnectors and new gas infrastructures</p>	<p>Decision</p>	<p>Article 7(7) and Articles 8 and 9 Reg 713/2009; Article 17 Reg 714/2009; Article 36 Dir 2009/73</p>
<p><b>Monitoring and reporting on the electricity and natural gas sectors</b></p>		
<p>26. Monitor the internal markets in electricity and natural gas</p>	<p>Monitoring</p>	<p>Article 11(1) Reg 713/2009</p>

<p>27. Make public annual report on the results of monitoring and, at the same time, submit an opinion to the European Parliament and to the Commission on the measures that could be taken to remove barriers to the completion of the internal markets in electricity and natural gas</p>	<p>Publication, Opinion</p>	<p>Article 11(2) and (3) Reg 713/2009</p>
<p><b>Consultations and transparency</b></p>		
<p>28. Consult with market participants, TSOs, consumers, end-users, competition authorities</p>	<p>Consultation</p>	<p>Article 10(1) and (3) Reg 713/2009</p>
<p>29. Give to the public and interested parties objective, reliable and easily accessible information</p>	<p>Information</p>	<p>Article 10(2) Reg 713/2009</p>

<p>30. Make public agenda, background documents and minutes of meetings of AB, BoR and BoA</p>	<p>Publication</p>	<p>Article 10(4) Reg 713/2009</p>
<p><b>Other tasks</b></p>		
<p>31. Approve compliance programmes of joint undertakings</p>	<p>Approval</p>	<p>Article 6(4) Dir 2009/72; Article 7(4) Dir 2009/73</p>
<p>32. Respond to consultation on Guidelines</p>	<p>Opinion</p>	<p>Article 18(3) Reg 714/2009; Article 23(1) Reg 715/2009</p>
<p>33. Provide opinions or recommendations on any of the issues relating to the purpose for which it has been established, upon a request of the European Parliament, the Council or the Commission, or on its own initiative</p>	<p>Opinion, recommendation</p>	<p>Article 5 Reg 713/2009</p>

34. Provide secretarial services to Administrative Board		Article 12(3) Reg 713/2009
35. Provide secretarial services to the Board of Regulators		Article 14(6) Reg 713/2009

<b>B - Tasks assigned by the ITC Regulation</b>		
<b>Agency's task</b>	<b>Type of action</b>	<b>Legal basis</b>
<b>ITC Mechanism</b>		
1. Oversee the implementation of the Inter-Transmission System Operator Compensation ('ITC') Mechanism.	Monitoring	Point 1.4 Guidelines on the ITC Mechanism – Annex to Reg 838/2010 – Part A
2. Report to the Commission on the implementation of the ITC mechanism and the	Reporting	Point 1.4 Guidelines on the ITC Mechanism – Annex to Reg 838/2010 –

management of the ITC fund		Part A
3. Provide an opinion on multi-party agreements' recommendations on adjustment to total compensation for the compensation for making infrastructure available to host cross-border flows of electricity	Opinion	Point 3.3 Guidelines on the ITC Mechanism – Annex to Reg 838/2010 – Part A
4. Provide a response to the Commission's consultation on the opinion on multi-party agreements relating to the compensation for the costs of hosting cross-border flows of electricity between transmission system operators participating in the ITC mechanism and those transmission system operators from third countries	Response to consultation	Point 3.6 Guidelines on the ITC Mechanism – Annex to Reg 838/2010 – Part A
5. Make a proposal to the Commission on the annual cross-border infrastructure compensation sum and	Proposal, opinion	Points 5.1, 5.3, and 5.5 Guidelines on the ITC Mechanism – Annex to

provide an opinion to the Commission as to the suitability of using long run average incremental costs for the assessment of the costs of making infrastructure available for hosting cross-border flows		Reg 838/2010 – Part A
6. Provide an opinion to the Commission in case of disagreement on the proposal on the annual cross-border infrastructure compensation sum	Opinion	Point 5.1 Guidelines on the ITC Mechanism – Annex to Reg 838/2010 – Part A
<b>Transmission Charging</b>		
7. Monitor the appropriateness of the ranges of allowable transmission charges	Monitoring	Point 4. Guidelines for A Common Regulatory Approach to Transmission Charging - Annex to Reg 838/2010 – Part B
8. Provide an opinion to the Commission as to the appropriate range or ranges of transmission charges for the period after 1 January	Opinion	Point 5. Guidelines for A Common Regulatory Approach to Transmission Charging - Annex to Reg



2015		838/2010 – Part B
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### C - Tasks assigned by the SoS Regulation

Agency's task	Type of action	Legal basis
1. Participate in the Gas Coordination Group established to facilitate the coordination of measures concerning security of gas supply	Membership	Article 12(1) Reg 994/2010

### D - Tasks assigned by REMIT

Agency's task	Type of action	Legal basis
<b>Monitoring, data collection, and registration</b>		

<p>1. Monitor, in close collaboration with NRAs and other relevant authorities, trading activity in wholesale energy products to detect and prevent trading based on inside information and market manipulation</p>	<p>Monitoring</p>	<p>Article 7(1) Reg 1227/2011</p>
<p>2. Collect the data for assessing and monitoring wholesale energy markets</p>	<p>Data collection</p>	<p>Articles 3(4)(b), 4(2), 7(1), 8, 10(3), 16(2) and (3) Reg 1227/2011</p>
<p>3. Establish a European Register of market participants</p>	<p>Data collection</p>	<p>Article 9(3) Reg 1227/2011</p>
<p><b>Reporting and recommendations</b></p>		
<p>4. Report to the Commission on its activities under the Regulation</p>	<p>Reporting</p>	<p>Article 7(3) Reg 1227/2011</p>

<p>5. Make recommendations to the Commission as regards market rules, standards, and procedures which could improve market integrity and the functioning of the internal market</p>	<p>Recommendation</p>	<p>Article 7(3) Reg 1227/2011</p>
<p>6. Make recommendations to the Commission as to the records of transactions, including orders to trade, which it considers are necessary to effectively and efficiently monitor wholesale energy markets</p>	<p>Recommendation</p>	<p>Article 7(3) Reg 1227/2011</p>
<p><b>Cooperation at Union and national level</b></p>		
<p>7. Cooperate with NRAs, ESMA, national financial market authorities and national competition authorities</p>	<p>Cooperation</p>	<p>Article 1(3) Reg 1227/2011</p>

<p>8. Ensure that NRAs carry out their tasks under the Regulation in a coordinated and consistent way</p>	<p>Coordination</p>	<p>Article 16 Reg 1227/2011</p>
<p>9. Publish non-binding guidance on the application of the definitions set out in Article 2 of the Regulation</p>	<p>Guidance</p>	<p>Article 16(1) Reg 1227/2011</p>
<p>10. Establish a mechanism to share information on trading activity in wholesale energy products with NRAs, competent financial authorities of the Member States, national competition authorities, ESMA and other relevant authorities</p>		<p>Article 10(1) Reg 1227/2011</p>
<p>11. Cooperate with the authorities responsible for overseeing trading in emissions allowances or derivatives relating to</p>		<p>Article 10(3) Reg 1227/2011</p>

<p>emissions allowances and establish mechanisms to share information on records of transactions in such allowances and derivatives</p>		
<p>12. Inform ESMA and the competent financial authority, on its own initiative or at NRAs' request, where it suspects that acts are being or have been carried out which constitute market abuse</p>		<p>Article 16(2) and (3)(b) Reg 1227/2011</p>
<p>13. Request, on its own initiative or at NRAs' request, one or more national regulatory authorities to supply any information related to a suspected breach of the Regulation</p>		<p>Article 16(2) and (4)(a) Reg 1227/2011</p>
<p>14. Request, on its own initiative or at NRAs' request, one or more</p>		<p>Article 16(2) and (4)(b) Reg 1227/2011</p>

<p>national regulatory authorities to commence an investigation and to take appropriate action where it suspects that there has been a breach of the Regulation</p>		
<p>15. Establish and coordinate, on its own initiative or at NRAs' request, an investigatory group where it suspects that there has been a breach of the Regulation and it considers that the possible breach has, or has had, a cross-border impact</p>		<p>Article 16(2) and (4)(c) Reg 1227/2011</p>
<p><b>International relations</b></p>		
<p>16. Develop contacts and enter into administrative arrangements with third country authorities in so far as is necessary to achieve the objectives set out in the Regulation, in particular, to promote the</p>		<p>Article 19 Reg 1227/2011</p>

harmonisation of the regulatory framework		
<b>Consultations and transparency</b>		
17. Publish the Report to the Commission on its activities under the Regulation	Publication	Article 7(3) Reg 1227/2011
18. Consult with interested parties before making recommendations to the Commission as to the records of transactions	Consultation	Article 7(3) Reg 1227/2011
19. Consult with the interested authorities before establishing the mechanisms to share information on trading activity in wholesale energy products with them	Consultation	Article 10(1) Reg 1227/2011
20. Make all recommendations available to the European	Disclosure	Article 7(3) Reg 1227/2011

Parliament, the Council and the Commission and the public		
21. Make the European register, or extracts thereof, as well as part of the information which it possesses publicly available provided that commercially sensitive information on individual market participants is not disclosed and subject to confidentiality requirements	Disclosure	Articles 9(3) and 12 Reg 1227/2011
22. Adopt and publish transparent rules on the manner it will disseminate information	Adoption, publication	Article 12(2) Reg 1227/2011

The proposed TEN-E Regulation, currently in the legislative process, is likely to assign additional tasks and responsibilities to the Agency related to the process of selection of Projects of Common Interest, the regulatory treatment of such projects as a last resort and the monitoring of their implementation. This Regulation is expected to be adopted and come into force early in 2013. Therefore, the Agency may be required to perform these additional tasks already in 2013, even though their exact scope and definition is still uncertain and will become clear only once the text of the Regulation is finalised. The tasks which the Agency



will likely be called to perform in relation with the implementation of the new TEN-E Regulation are included in this Work Programme and presented in Section 6.6.3.

### 3. PRIORITIES FOR 2013

In view of the target set by the Council of the European Union in February 2011, concerning the completion of the Internal Energy Market (IEM) by 2014, in 2013 the Agency will focus its efforts on the evaluation of the Network Codes drafted by the European Network of Transmission System Operators for Electricity (ENTSO-E) and the European Network of Transmission System Operators for Gas (ENTSO-G) on the basis of the Framework Guidelines developed in 2011 and 2012. This is in line with the Commission decision on the establishment of the annual priority lists for the development of network codes and guidelines for 2013<sup>6</sup>.

More specifically, following an initial proposal and a public consultation (held from 8.3.2012 to 16.4.2012), the Commission has set the following areas and activities as priorities for 2013:

- For the development of harmonised electricity rules:
  - capacity allocation and congestion management:
    - rules for day-ahead and intraday markets including capacity calculation:  
adoption of the Network Code under the comitology procedure;

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<sup>6</sup> Commission decision on the establishment of the annual priority lists for the development of network codes and guidelines for 2013 as adopted on 19 July 2012

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- rules for longer term (forward) capacity allocation: finalisation of the Network Code, issuance of the Agency's reasoned opinion and launch of the comitology process;
  - network connection rules:
    - Network Code on rules on generator grid connection: adoption of the Network Code under the comitology procedure,
    - Network Code on distribution system operator and industrial load connection: finalisation of the Network Code, issuance of the Agency's reasoned opinion and launch of the comitology process,
    - Network Code on High-voltage direct current transmission system connection: finalisation of the Network Code, issuance of the Agency's reasoned opinion and start of the comitology process;
  - system operation: finalisation of the Network Codes on operational security, on operational planning and scheduling and on load-frequency control and reserves, issuance of the Agency's reasoned opinion and launch of the comitology process;
  - balancing rules including network-related reserve power rules: finalisation of the Network Code, issuance of the Agency's reasoned opinion and launch of the comitology process;
  - rules regarding harmonised transmission tariff structures and/or incentives: subject to the finding of the current on-going analysis, Agency's recommendation to the European Commission on the need and best approach to address this issue.
- For the development of harmonised gas rules:
- capacity allocation: adoption of the Network Code under the comitology procedure;

- balancing rules, including network-related rules on nomination procedure, rules for imbalance charges and rules for operational balancing between transmission system operators` systems: finalisation of the Network Code, issuance of the Agency's reasoned opinion and launch of the comitology process;
- interoperability and data exchange rules: finalisation of the Network Code, issuance of the Agency's reasoned opinion;
- rules regarding harmonised transmission tariff structures: finalisation of the Network Code, issuance of the Agency's reasoned opinion.

The Agency will also work intensively on the implementation of REMIT, which entered into force in December 2011; it is expected that the monitoring framework envisaged therein will have to be fully operational by the beginning of 2014. Monitoring of the IEM and tasks related to the ITC Regulation will also be priorities in 2013.

It should, however, be stressed that unexpected events in the energy sector may lead EU institutions, including the Agency, to modify their priorities, and the Agency to perform tasks which are not envisaged in the present Work Programme. Moreover, some of the activities outlined above and in Section 6 may turn out to be more complex than expected or may require further investigation, including as a result of the feedback provided by stakeholders during public consultations. Therefore, priorities may need to be adjusted in the course of the year. In the area of framework guidelines and network codes, such developments are discussed and the re-prioritisation of activities agreed in the Planning Group - which comprises senior representatives of the European Commission, the Agency, ENTSO-E and ENTSG and which generally meets on a bimonthly basis – and are reflected in the Three-year Plan which is maintained by the Group.

## 4. ORGANISATION, ADMINISTRATION AND FUNCTIONING OF THE AGENCY

### 4.1 Internal organisation

No change is expected in the internal structure of the Agency in 2013, which, as in 2012, will be based on four departments:

- the Electricity department,
- the Gas department,
- the Market Monitoring department,
- the Administration department,

and the Director's office.

In 2013, the Administrative Board is expected to meet four times and the Board of Regulators ten times. Meetings of the Board of Appeal cannot be planned in advance, as they depend on the requirements of any appeal lodged.

### 4.2 Communication activities

#### 4.2.1 External communication

According to Article 10(2) of the Agency Regulation, the Agency is expected to *provide to the public and interested parties objective, reliable and easily accessible information*. It should also make public a series of documents (agenda, background documents and, where appropriate, minutes of the meetings of the Boards, as well as annual reports and the work

programme). The Agency is also expected to comply with its transparency and consultation obligations.

The general external communication activities of the Agency (outside of stakeholders' relations and internal communication) will focus on enhancing the Agency's visibility, autonomy and impact by communicating effectively with external target groups.

The Agency's communication channels remain, by order of importance:

- Digital communication: website, newsletters, newsfeeds, webinars;
- Print communication;
- Events;
- Media relations;
- Institutional relations;
- Public relations.

The communication activities of the Agency will use these communication channels to support the Agency's communication objective through a series of actions (deliverables), as outlined in the following table.

<b>Deliverables</b>		<b>Print publications: Annual Report 2012</b>	
Targets and deadlines (indicative)		By 15 July 2013	
Key performance indicators		<ul style="list-style-type: none"> <li>• Number of hits on the Agency website and on EU Publications Office</li> <li>• Positive feedback via the annual reader survey</li> </ul>	
Staff resources allocated		0.2 CA	

<b>Deliverables</b>		<b>Print publications: 2012 Regional Initiatives Status Review Report</b>	
Targets and deadlines (indicative)		By February 2013	
Key performance indicators		<ul style="list-style-type: none"> <li>• Positive feedback via the annual reader survey</li> <li>• Level of uptake in media, by stakeholders communication products</li> </ul>	

Staff resources allocated:	0.4 CA
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<b>Deliverables</b> <b>Print publications: 2011 Market Monitoring Report</b>	
Targets and deadlines (indicative)	By January 2013
Key performance indicators	<ul style="list-style-type: none"> <li>• Number of hits on the Agency website</li> <li>• Positive feedback from the annual reader survey</li> </ul>
Staff resources allocated	0.2 CA

<b>Deliverables</b> <b>Events: Annual conference</b>	
Targets and	March 2013

deadlines (indicative)	
Key performance indicators	<ul style="list-style-type: none"> <li>• Number of participants</li> <li>• Media coverage</li> <li>• Positive feedback from the participants' satisfaction survey</li> </ul>
Staff resources allocated	0.2 CA

<b>Deliverables</b>	<b>Events: Market Monitoring seminar</b>
Targets and deadlines (indicative)	November-December 2013
Key performance indicators	<ul style="list-style-type: none"> <li>• Number of participants</li> <li>• Media coverage</li> <li>• Positive feedback from the participants satisfaction survey</li> </ul>
Staff resources	0.2 CA



allocated	
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<b>Deliverables</b>	
<b>Events: Workshop on the presentation of the draft Work Programme 2014</b>	
Targets and deadlines (indicative)	May 2013
Key performance indicators	Number of participants
Staff resources allocated	0.2 CA
Risk assessment	Human resources constraints in communication and IT support could result in delays or non-quality organisations of public workshops and therefore insufficient information to the stakeholders. Moreover, lack of travel connections to Ljubljana could result in a low turnout at the Agency public workshops and could therefore restrain information-sharing with the stakeholders.

According to the Agency Regulation, the Agency is also required to consult extensively and

at an early stage on its regulatory activities. Stakeholders' relations are thus an important part of the Agency's communications activities.

The main objective in stakeholder relations is that stakeholders are involved in the Agency's work and are satisfied that their views are taken into account. In this area, the Agency communication channels will remain, by order of importance:

- Digital communication: website, newsletters, newsfeeds, online public consultations, online surveys, online reports
- Print communication: report on activities;
- Events: public workshops, seminars, conferences, participation to key stakeholders events;
- Expert groups.

In 2013, the communication activities will continue to support the priorities set in the Agency's Work Programme in terms of regulatory activities, notably through the publication of public consultation on the Agency website and by developing other channels of interaction with stakeholders, such as online surveys, RSS feeds, social media and stakeholders-dedicated events.

In terms of reporting obligations, in 2013 the Agency communication will result in the production of the 2013 Regional Initiative Status Review Report, the 2013 Market Monitoring Report (based on 2012 data), the 2012 Annual Report and other specific reports as required.

In terms of events, the Agency will organise one Annual Conference (or Stakeholders' Day).

## 4.2.2 Internal communication

The objective of the internal communication activities is that the Agency's staff is well informed about the Agency's mission and objectives and shares a common corporate culture.

The target group is the Agency staff.

To achieve these goals the main communication channels are:

- Digital communication: website, newsletters, newsfeeds;
- Events.

The main deliverables for 2013 in the area of internal communication are outlined in the following table.

Deliverables	Internal communication strategy update
Targets and deadlines (indicative)	By May 2013
Key performance indicators	<ul style="list-style-type: none"> <li>• Strategy update adopted by the management</li> <li>• Strategy implemented by 80% by the end of 2013</li> </ul>

<b>Deliverables</b>	<b>Staff satisfaction with internal communication</b>
Targets and deadlines (indicative)	Ongoing
Key performance indicators	<ul style="list-style-type: none"> <li>• Positive feedback from staff via staff satisfaction survey</li> <li>• Intranet statistics</li> <li>• Internal newsletter satisfaction survey</li> </ul>
Staff resources allocated	0.2 CA

<b>Deliverables</b>	<b>Improvement of the Agency intranet to make it a tool to support internal communication</b>
Targets and deadlines (indicative)	Quarterly meetings

Key performance indicators	<ul style="list-style-type: none"> <li>Question included in the annual staff survey on the level of information shared by line managers.</li> </ul>
Staff resources allocated	0.2 CA

<b>Deliverables</b>	<b>Internal newsletter</b>
Targets and deadlines (indicative)	On a monthly basis
Key performance indicators	<ul style="list-style-type: none"> <li>A question on satisfaction with the internal newsletter in the survey.</li> </ul>
Staff resources allocated	0.2 CA
TOTAL STAFF on communication activities	2 CAs (one long-term, one short-term)

## 4.3 The Agency's premises

The Seat Agreement between the Government of the Republic of Slovenia and the Agency commits the Slovenian Government, *inter alia*, to provide office premises for the Agency for a period of two years, until 31 January 2013. Therefore, in 2013 the Agency will have to establish itself in its permanent premises in Ljubljana. The procurement procedure to select the permanent premises was launched in March 2012 and is expected to be finalised early in 2013, when the location of these premises and the exact timing for the possible removal will be known. The permanent premises will take into account the expansion of the Agency staff required for the implementation of REMIT, assigning additional tasks to the Agency. In case delays occur in finalising the procurement procedure or in the fitting-out of premises, the Agency will extend the rent of its temporary premises, for a maximum period of one year, subject to consent from the Budgetary Authorities.

The procurement procedure for the removal of the Agency, if needed, will be launched as soon as the contract for the rent of the permanent premises is signed, and shall be finalised in time for the removal to proceed smoothly.

The Agency already has most of the furniture and appliances needed for its daily activities. Due to the extension of its activities under REMIT, and depending on the selected permanent premises, a procurement procedure for additional furniture and appliances may be launched in 2013.

In 2013, the Agency will also keep its liaison office in Brussels with one staff member (1 AD) assigned to it. The office is hosted in the premises made available, free of charge, by the Council of European Energy Regulators (CEER), as a contribution in kind to the Agency. CEER is also providing secretarial support to some of the Agency's activities in Brussels. The IT and information resources are shared with the liaison office, which makes it an indispensable part of the Agency's structure.

Deliverables	Premises
<p>Targets and deadlines (indicative)</p>	<p>The Agency's targets for 2013 are to:</p> <ul style="list-style-type: none"> <li>• Successfully move to its permanent premises in Ljubljana, (subject to timely finalisation of the procurement procedure carried out) by 1 February 2013 and, in any case, by the end of 2013.</li> <li>• Finalise the procurement procedure in view of the delivery of any additional furniture and appliances required for the new premises by the time new staff joins.</li> <li>• Ensure that all utility and additional services arrangements are in place in order to occupy the building in due time.</li> <li>• Achieve overall satisfaction among staff with the new premises in terms of functionality and location, according to the prepared Terms of Reference and in line with the needs of the Agency.</li> </ul>
<p>Key performance indicators</p>	<ul style="list-style-type: none"> <li>• New premises occupied as soon as possible after 31 January 2013 and, in any case, by the end of 2013.</li> <li>• A procurement procedure for additional furniture and appliances launched no later than within a month of the signing of the contract for the permanent premises.</li> <li>• More than 60% of the Agency staff satisfied with the fitting-</li> </ul>

	out of the permanent premises for the Agency.
Staff resources allocated	2TAs, 1 CA short term
Risk assessment	<p>Unforeseen delays in the finalisation of the procurement procedure for the Agency's permanent premises, which might result in delays of the removal of the Agency;</p> <p>Delay in the related tenders and arrangements for additional furniture, appliances, IT infrastructure and related services.</p>



## 4.4 Human resources

The organisational chart below reflects the internal structure of the Agency as of September 2012, which envisages 43 temporary agents, 2 contract agents on long-term employment, 2 contract agents on short-term employment and up to 12 seconded national experts (SNEs). SNEs seconded from NRAs or Member States assist the Director and key staff in the Departments, in particular with their expertise in the energy field. The number of allocated staff in different departments according to the current organisational chart is the following:

Director's office: 8 temporary agents (5 ADs, 3 ASTs), 1 contract agent (long-term) and 3 SNEs;

Market Monitoring Department<sup>7</sup>: 2 temporary agents (2 ADs) and 2 SNEs;

Administration Department: 11 temporary agents (5 ADs, 6 ASTs), 1 contract agent (long-term) and 2 contract agents (short-term);

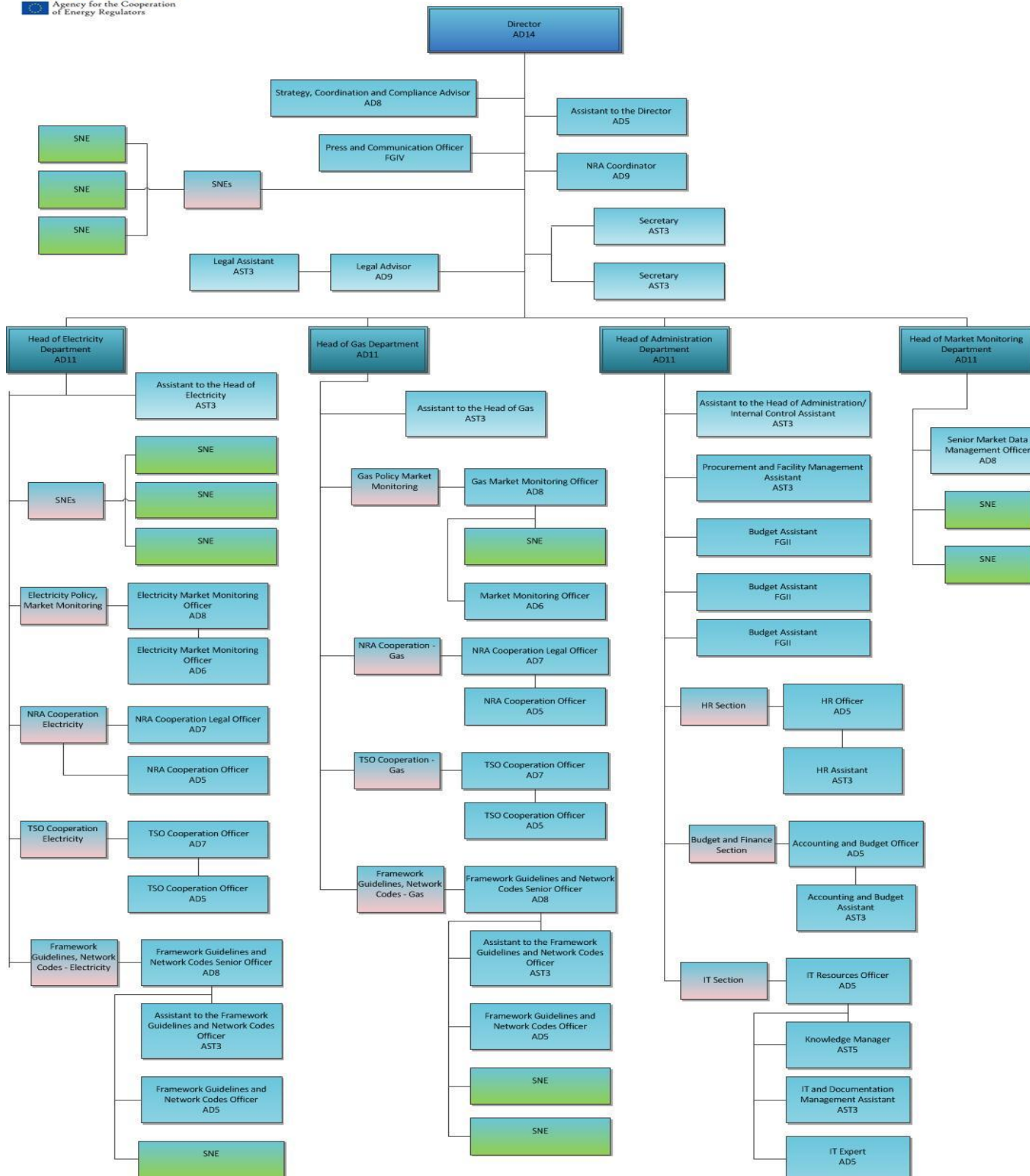
Gas Department: 11 temporary agents (9 ADs, 2 ASTs) and 3 SNEs;

Electricity Department: 11 temporary agents (9 ADs, 2 ASTs) and 4 SNEs.

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<sup>7</sup> The Market Monitoring Department is not yet established, therefore, the posts are currently assigned to the Director's office.

**ORGANISATIONAL CHART 2012**



At the time of the adoption of the Work Programme (September 2012), 43 staff (39 temporary agents, 2 contract agents on long-term employment and 2 contract agents on short-term employment) and 12 SNEs are working for the Agency, with a further 2 temporary agents confirmed to start. All management positions (Director, Head of the Administration Department, Head of the Electricity Department, Head of the Gas Department and Head of the Market Monitoring Department) have been filled<sup>8</sup>. The additional human resources which the Agency will recruit to fulfil its responsibilities in implementing REMIT amount to 6 temporary agents and 4 SNEs in 2013<sup>9</sup>.

It is envisaged that, by the end of 2012, the Agency's total staff will be 59 (43 temporary agents, 2 contract agents (long-term), 2 contract agents (short-term) and 12 SNEs); and, by the end of 2013, the Agency total staff will be 72 (49 temporary agents, 2 contract agents (long-term), up to 5 contract agents (short-term) and 16 SNEs).

Additional staff will be required to perform the tasks which the Agency expects to be assigned by the new TEN-E Regulation, which is expected to be adopted and come into force in early 2013. However, at present, such additional staff is envisaged by the proposed Regulation establishing the Connecting Europe Facility (the "CEF Regulation")<sup>10</sup>, which is expected to be adopted and come into force not before late 2012, at the earliest. Therefore, during 2013 the Agency will be challenged with performing the additional tasks without the required staff.

In 2013, the Agency will carry out its second annual performance appraisal exercise, in order to assess the efficiency, ability and conduct in the service of the staff members (TAs and CAs), with a view to assess career perspectives and to identify training needs. All staff that

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<sup>8</sup> The new Head of Market Monitoring Department will assume office on 1 October 2012. The new Head of the Gas Department, to replace the previous one who left the Agency on 15 August 2012, is expected to join by the end of 2012.

<sup>9</sup> This is the staff complement envisaged in the financial statement of REMIT. Additional staff will be required from 2014 in order to operate the REMIT market monitoring system.

<sup>10</sup> Proposal for a Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility (/\* COM/2011/0665 final - 2011/0302 (COD) \*/).

has been in active service or on secondment in the interest of the service for a continuous period of at least four months by the end of 2012 is expected to participate in the exercise.

Furthermore, a detailed Learning and Development Framework will be developed in 2013 to further support the skills and competencies development of the Agency staff, and enhance their future personal and professional perspectives. The Framework will be managed in a way to contribute actively to the process of staff development as well as effectively reaching the Agency's objectives. The Agency staff will be offered a range of internally organised and externally delivered training, based on the needs and priorities identified, within the framework of available resources.

A number of Implementing Rules (IRs) to the Staff Regulations (SRs) and to the Condition of Employment of Other Servants (CEOS) have also been planned and will be adopted in 2013, in line with the approved MSPP 2013-2015:

- Article 39 of CEOS – Early retirement for temporary agents;
- Article 5 of SR and Article 10 of CEOS – Types of employment of temporary agents;
- Article 80§3 of CEOS – Job Descriptions of contract agents.

Deliverables	Human Resources
<p>Targets and deadlines (indicative)</p>	<p>The Agency's targets for 2013 are to:</p> <ul style="list-style-type: none"> <li>• Complete the recruitment of the additional resources (10 staff and SNEs) in 2013 required to fulfil the new tasks assigned under REMIT;</li> </ul>

	<ul style="list-style-type: none"> <li>• Have 56 staff (49 temporary agents, 2 contract agents – long-term, up to 5 contract agents – short-term) and up to 16 SNEs recruited by the beginning of 2014.</li> <li>• Ensure timely adoption of the listed IRs to the Staff Regulations, planned for 2013 in line with the adopted MSPP 2013-2015, subject to the appropriate and timely response of the DG HR regarding the interservice consultation.</li> <li>• Develop and implement the Agency Learning and Development Framework.</li> <li>• Increase the amount of training (internal and external) provided to staff in 2013, subject to the availability of resources and in accordance with the Training Maps and the Agency Learning and Development Framework.</li> <li>• Successfully complete the Annual performance appraisal exercise to be carried out in 2013.</li> </ul>
<p>Key performance indicator(s)</p>	<ul style="list-style-type: none"> <li>• Achievement of minimum 90% of the recruitment targets on time.</li> <li>• 100% of the planned IRs adopted by the Agency, subject to the appropriate and on-time response of the DG HR regarding the interservice consultation.</li> <li>• The Agency Learning and Development Framework in place by mid-2013.</li> <li>• Increased number of training days provided to staff compared to 2012 by 10%, depending on the availability and allocation of</li> </ul>

	<p>budget for training.</p> <ul style="list-style-type: none"> <li>• 100% of the Agency staff subject to performance appraisal undergo the 2013 exercise. Number of appeals less than 10%.</li> </ul>
Staff resources allocated	2TAs, 1 CA (short term)
Potential risks	<p>The compliance with the recruitment plan depends crucially on the interest attracted by the vacant posts and on the availability of suitable candidates. Already in the past the Agency encountered significant difficulties in filling the advertised posts, due to the low number of applications and the inadequate profiles of the applicants.</p> <p>In this respect, the limited range of international education opportunities for children of prospective applicants and the difficulties of finding suitable employment for their spouses/partners have proved to be a major barrier in attracting suitably-qualified staff to Ljubljana. It is likely that the Agency will face similar challenges in 2013.</p>

## 4.5 Establishment Plan 2013

Function group and grade	2012		2013	
	Authorised under EU Budget		Draft Budget	
	Permanent Posts	Temporary Posts	Permanent Posts	Temporary Posts
AD 16				
AD 15				
AD 14		1		1
AD 13				
AD 12				
AD 11		4		4

AD 10				
AD 9		2		2
AD 8		6		6
AD 7		4		6
AD 6		2		4
AD 5		11		11
AD total		30		34
AST 11				
AST 10				
AST 9				
AST 8				



AST 7				
AST 6				
AST 5		1		1
AST 4				
AST 3		12		14
AST 2				
AST 1				
AST total		13		15
TOTAL		43		49
GRAND TOTAL		43*		49**

(\* ) 3 AD posts (1 AD11, 1 AD8 and 1 AD5) have been assigned to the Agency by REMIT.

(\*\*) The 4 additional AD posts (2 AD6, and 2 AD7) and 2 additional AST posts (2 AST3) included in the establishment plan for 2013 are assigned to the Agency by REMIT.

## 4.6 Budget, Finance, Audit

The Agency revenue and expenditure for the financial year 2012 and the estimate of revenue and expenditure for the financial year 2013, as determined by the Administrative Board on 31 March 2012<sup>11</sup>, with the supporting opinion of the Board of Regulators, and submitted to the European Commission on the same date, are presented in the tables below.

### 4.6.1 Revenue

REVENUE	Approved Budget 2012	Draft Budget 2013
1. REVENUE FROM FEES AND CHARGES	-	-
2. EU CONTRIBUTION	7,241,850	11,761,085
Of which Administrative (Title 1 and Title 2)	6,864,725	9,714,372
Of which Operational (Title 3)	377,125	584,288

<sup>11</sup> Ref. Decision of the Agency Administrative Board - Decision AB n° 09/2012 on the estimate of revenue and expenditure of the Agency for the 2013 financial year.

Of which assigned revenues deriving from previous years' surpluses	-	1,462,425
EFTA contribution	188,288	267,765
<b>TOTAL REVENUE</b>	<b>7,430,138</b>	<b>12,028,850</b>

#### 4.6.2 Expenditure

EXPENDITURE	Commitment and payment appropriations	
	Approved Budget 2012	Draft Budget 2013
Title 1: Staff Expenditure	5,048,540	5,859,983
11 Salaries & allowances	4,614,087	5,431,013
Of which establishment plan posts	3,994,923	4,401,848

Of which external personnel	619,164	1,029,165
12 Expenditure relating to Staff recruitment	54,159	103,000
13 Mission expenses	168,307	62,280
14 Socio-medical infrastructure	23,500	23,500
15 Training	75,000	90,000
16 External Services	100,687	135,190
17 Receptions and events	12,800	15,000
<b>Title 2: Infrastructure and operating expenditure</b>	<b>1,994,668</b>	<b>5,569,388</b>
20 Rental of buildings and associated costs	55,000	1,100,000
21 Information and communication technology	1,087,388	3,405,388
22 Movable property and associated costs	100,000	190,000

23 Current administrative expenditure	31,000	31,000
24 Postage/Telecommunications	126,000	166,000
25 Meeting expenses	421,480	497,000
26 Running costs in connection with operational activities	20,000	20,000
27 Information and publishing	-	-
28 Studies	153,800	160,000
<b>Title 3: Operational expenditure</b>	<b>386,930</b>	<b>599,480</b>
30 Representation expenses	21,191	25,000
31 Operational Missions	145,739	309,480
32 Stakeholder involvement, public relations and website	190,000	215,000
33 Translations	15,000	35,000

34 Professional indemnity	15,000	15,000
<b>TOTAL EXPENDITURE</b>	<b>7,430,138</b>	<b>12,028,851</b>

### 4.6.3 Audit

The internal audit for the Agency is carried out by the Internal Audit Service (IAS) of the European Commission. During 2012 IAS has performed a limited review on the implementation of the internal control standards by the Agency and a full risk assessment identifying the main audit topics to be included in the audit plan for 2013-2015.

The external audit is performed by the European Court of Auditors (ECA).

In 2013, the Agency will address and implement the findings and recommendations of both the IAS limited review of the internal control standards and the ECA audit carried out in 2012.

Deliverables		Budget Implementation and Audit	
Targets and deadlines (indicative)	<p>The Agency's targets for 2013 are to achieve:</p> <ul style="list-style-type: none"> <li>• High level of budget implementation for both commitment and payment appropriations.</li> <li>• Non-qualified audit opinion on budget management, issued by the IAS.</li> </ul>		

Key performance indicator(s)	<ul style="list-style-type: none"> <li>• At least 95% execution of 2013 commitment appropriations.</li> <li>• Minimum 70% execution of 2013 payment appropriations.</li> <li>• Positive opinion of the IAS.</li> </ul>
Staff resources allocated	3TAs, 3 CAs

## 4.7 ICT Infrastructure

In 2013, the Agency will face a number of important challenges.

The possible move from the current premises to new ones would impose significant burden on the Agency in the ICT area, since it will have to ensure business continuity without significant interruption of the ICT services. Time and effort will be dedicated into analysing and planning for the safe ICT infrastructure removal, but also for the successful and effective implementation and adaptation to the new premises.

Following the recommendations of the IAS, ICT projects and tasks of the Agency shall be implemented within an ICT Project management framework. For this reason, members of the ICT Section are expected to receive the relevant training in 2012 so that, by 2013, projects, operations and tasks are planned, scheduled and monitored within a Project management framework.

Again, following the recommendations of the IAS, enhancements in ICT Security and ICT Disaster Recovery Plan should be achieved in 2013 so that the Agency operates within the ICT security standards required for the implementation of REMIT. Some initial assessment and work will be carried out already in 2012, but the majority of it is expected to be performed in 2013.

The execution of the individual contracts resulting from the tendering procedures for Framework Contracts for the implementation of REMIT, launched in 2012, will take place mostly in 2013. The Agency will have to ensure the proper management and execution of these contracts, so that the final products are in line with the defined specifications and serve the purpose of the effective implementation of REMIT.

The Agency will also have to take care of the further development and acquisition of applications and services to cover the needs of the Agency's departments, and the maintenance or renewal of the existing ones.

Deliverables	ICT Development
Targets and deadlines (indicative)	<p>The Agency's targets for 2013 are to:</p> <ul style="list-style-type: none"> <li>• Perform the possible transition of the ICT infrastructure to the permanent premises without significant interruption of the ICT services by the end of 2013.</li> <li>• Start executing projects and tasks within the IT Project management framework by the first quarter of 2013.</li> <li>• Make the necessary enhancements in ICT Security</li> </ul>



	<p>and ICT Disaster Recovery Plan by mid-2013.</p> <ul style="list-style-type: none"> <li>• During 2013 execute contracts that will result from the REMIT Framework Contract tendering procedure, launched in 2012.</li> <li>• During 2013 further develop and acquire applications and services to cover the Agency's departments needs and maintain or renew the existing ones.</li> </ul>
<p>Key performance indicators:</p>	<ul style="list-style-type: none"> <li>• Successful transition of the ICT infrastructure to the new permanent premises by the end of 2013, or in line with the removal plan.</li> <li>• IT Project management framework applied by the first quarter of 2013.</li> <li>• Enhancements in ICT Security and ICT Disaster Recovery Plan performed to be completed by mid-2013.</li> <li>• REMIT contracts implemented during 2013.</li> <li>• New applications acquired and developed; the existing ones are maintained and renewed, satisfying the Agency departments' needs in 2013.</li> </ul>
<p>Staff resources allocated</p>	<p>4 TAs</p>

## **5. THE REGULATORY PRACTICE - COOPERATION WITH NRAS**

### **5.1 Overall context**

The purpose of the Agency is to promote, assist and coordinate the cooperation of NRAs at European Union level. The Agency does not substitute the regulatory functions at national level, but rather ensures that these are coordinated and where necessary, completed at the EU level. This fully complements the European mandate of the NRAs (as defined in the Electricity and Gas Directives) and their duty to promote, in close cooperation with each other and the Agency, a competitive, secure and environmentally sustainable IEM.

Cooperation between the NRAs and the Agency, as well as among NRAs within the Agency, including through the Board of Regulators (BoR), is a focal element of the Third Package, as well as of the new legislation, such as REMIT and the proposed TEN-E Regulation. It reflects the inter-dependence of national regulatory practices, as well as their broader impact on the IEM.

Both, the Agency's structure and the working arrangements, which have been developed over the first two years of its formal operation, strongly and continuously underline that the cooperation with NRAs is the mainstay of the Agency's role and activities.

### **5.2 Board of Regulators (BoR)**

The BoR is responsible for defining, in cooperation with the Director, the regulatory strategy of the Agency and for its implementation. The opinion, recommendation and decision to be adopted by the Agency (on regulatory issues) need to receive the favourable opinion of the BoR.

The BoR composition (bringing together senior representatives of NRAs from the Members States of the EU), as well as its tasks and its working arrangements with frequent meetings

(almost on a monthly basis) ensures the cross-fertilisation, sharing of information and experience amongst NRAs, and contributes to the coherence of regulation at national and European level, a key pre-requisite for the integration of the IEM.

## 5.3 Working Groups (AWGs)

Agency's Working Groups have been established to promote the cooperation, at working level, between NRAs and the Agency's staff at the early stages of the preparation of the Agency's deliverables. These are part of the Agency, they are typically mostly staffed by NRAs' experts and are chaired by senior NRA representatives in the BoR.

The AWGs indeed benefit from the expertise of the Agency's staff and that of the NRAs, the latter contributing with a comprehensive understanding of developments in their own national energy markets. The Agency sees it as important to take into account the expertise of regulators and benefits from their competence and experience.

The AWGs' objectives, deliverables and milestones are steered by the Director in consultation with the AWG chairs, in line with the Agency's Work Programme. They provide support to the Agency when carrying out its regulatory duties under the EU Regulations and Directives. More specifically, the AWGs' objectives are to:

- provide input to the Director for the preparation of opinions, recommendations and decisions to be submitted, before adoption, to the consideration of the BoR and of other relevant documents;
- to support the Director and the Agency staff on other tasks, such as reviewing and analysing stakeholders' submissions during a consultation process;
- to provide information to the BoR on the issues relevant to the Director's proposal;
- to facilitate the necessary BoR decisions on the favourable opinion(s) required before the opinions, recommendations and decisions are adopted by the Director.

The participants in the AWGs and the Task Forces established within the AWGs are bound by the rules on the functioning of the working groups, including by specific requirements with regard to the confidentiality and intellectual property rights. With these requirements in place, the AWGs can openly participate in the preparation of the Agency's work.

During the first year of the Agency's operation two AWGs were established - the Electricity Working Group (AEWG) and the Gas Working Group (AGWG). In 2012, two new AWGs were established - the Market Integrity and Transparency Working Group (AMITWG), to undertake preparatory work on REMIT, and the Implementation, Monitoring and Procedures Working Group (AIMPWG), which assists on the Agency's monitoring tasks under the Agency Regulation, as well as on the development of the appropriate processes.

## 5.4 Regional Cooperation

Under the Third Package, the Agency cooperates with NRAs and Transmission System Operators to ensure the compatibility of regulatory frameworks within and between the regions with the aim of creating a competitive IEM.

The Agency has created two dedicated Regional Initiatives: the Electricity Regional Initiative (ERI) and the Gas Regional Initiative (GRI).

Two Coordination Groups – one for ERI and the other one for GRI, composed of representatives of NRAs and the European Commission - aim to ensure that the actions undertaken at regional level are consistent. Progress is reflected in the regular progress reports (annual and quarterly).

These Groups usually meet on a monthly basis and report regularly to the Director and to the BoR. Within the ERI, some NRAs have also been designated as specific leaders for the four cross-regional roadmaps for the implementation of the Target Models for Capacity Allocation and Congestion Management.

Within the GRI, NRAs are also driving forward the regional work plans which will henceforth incorporate pilot projects to ensure early implementation of the Network Code on Capacity Allocation Mechanisms (e.g. Capacity allocation platforms).

## 5.5 European Infrastructure Package (EIP)

Ahead of the entry into force of the new TEN-E Regulation, which assigns NRAs and the Agency new tasks related to the identification of Projects of Common Interest (PCI) and their regulatory treatment, the Agency and NRAs are looking into the appropriate working arrangements (including through the existing AWGs and at regional level) to prepare for its implementation.

## 5.6 REMIT

Regulatory cooperation is a focal element of REMIT. The Director is consulting the BoR on all aspects of implementation of REMIT and gives due consideration to its advice and opinions.

In parallel, close cooperation and coordination between the Agency and national authorities is necessary to ensure appropriate monitoring and transparency of energy markets. Coordinated actions are needed within the scope of responsibilities of the Agency (monitoring of the European market) and NRAs (possibly monitoring of national markets and certainly enforcement). The AMITWG, which allows for the early NRAs' input into the Agency's work, will in 2013 continue to promote collaboration between the Agency and NRAs and to ensure that a coordinated approach is taken to the enforcement of the relevant rules where provided for in REMIT.

## 5.7 Surveillance Task Force

With regard to REMIT tasks, an internal regulators' surveillance forum has been established under the Agency. NRAs have the responsibility for responding to market participants' queries and this forum is seen as a valuable tool for NRAs to exchange and discuss internally all questions received from market participants and to coordinate a consistent feedback to the market. The ICT application developed by the Agency to support the forum offers the possibility to upload questions and answers for seven different categories for information. This approach aims to provide coherence which is crucial for market participants. Furthermore, the outcome of these discussions shall be used as input for the formal opinions of the Agency (for example. the non-binding Guidance to NRAs on the application of REMIT definitions or the Questions & Answers paper which is published on the Agency website).

Furthermore, also an internal REMIT Wiki has been set up, where the jointly coordinated proposals for answers will be uploaded. These web platforms tools will be further enhanced in 2013.

## 5.8 Ad-hoc requests

The Agency provides assistance to NRAs upon their request through the collection of information and facilitation of information exchange and sharing of best practices between NRAs.

The above working arrangements and structure are facilitated by the use of the Agency webpage for the organisation of the activities of the BoR, the meetings of the four AWGs and a separate section on Regional Initiatives. All Task Forces are fully supported by dedicated IT applications.

## 5.9 Other tools for cooperation and exchange of information amongst NRAs within the Agency

A list of NRAs' Communication Officers has been established in 2012. Each NRA has appointed a senior staff representative who acts as a Communications Officer and his/her task is to facilitate the relevant information exchange between his/her organisation and the other NRAs.

The Agency target for 2013 regarding the regulatory cooperation is to:

Deliverables	Regulatory Cooperation
Deliverables	<ul style="list-style-type: none"> <li>• Develop the revised set of the BoR Rules of Procedures (RoP) and detailed working arrangements, where appropriate, to facilitate its deliberations and overall operation with a view to promoting regulatory cooperation.</li> <li>• Develop, where appropriate, beyond the existing working</li> </ul>

	<p>arrangements, the tools for the cooperation of NRAs (including at regional level) and their strong links with the Agency in new areas such as monitoring of the markets for the effective enforcement of network codes.</p> <ul style="list-style-type: none"> <li>• Contribute to developing the regional cooperation further through the ERI and GRI Groups, against the agreed objectives as set out by the cross-regional plans in electricity and in gas with a new focus on pilot projects.</li> <li>• Allow the sharing of best practices between NRAs and the Agency on issues of common interest.</li> <li>• Foster exchange of experience with the regulatory associations outside the EU, where necessary, and on areas of mutual interest (e.g. FERC on market monitoring activities).</li> <li>• Develop regulatory cooperation and working arrangements in the context of the Energy Infrastructure work and a consistent framework across the regions and corridors in undertaking the Agency's new tasks under the proposed TEN-E Regulation.</li> <li>• Reinforce cooperation between NRAs under REMIT, both at EU and regional level.</li> </ul>
<p>Status</p>	<p>Ongoing</p>
<p>Targets and deadlines (indicative)</p>	<p>Throughout the year</p>



Key performance indicators	<ul style="list-style-type: none"> <li>Positive feedback from a survey measuring NRA satisfaction with the Agency's work in these areas</li> </ul>
Staff	8 TAs
Risk assessment	The Agency depends on the voluntary participation of NRAs in the Agency Working Groups. Without their cooperation, the Agency would lack the expertise of the NRAs and would need to outstretch its own resources, with a very concrete risk of not delivering on its Work Programme, which was prepared counting on the support of the Working Groups.

## 6. REGULATORY ACTIVITIES

### 6.1 Introduction and Framework

The Agency is tasked with promoting cooperation among NRAs in all regulatory areas. However, during this initial period, which will extend into 2013, priority will be given to the development of Framework Guidelines and Network Codes and other activities in areas which clearly fall within its main institutional remit and are in the critical path for the completion of the IEM by 2014<sup>12</sup>.

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<sup>12</sup> CEER will continue to promote cooperation among European energy regulators in areas which, while relevant to the activities of the Agency, are outside this narrow scope, including some of those arising from the dissolution of ERGEG in mid-2011.

## 6.2 Stakeholders' Involvement

As already mentioned in Section 4.2.1, stakeholders' involvement represents an essential element of the Agency's activities.

According to Article 10(1) of the Agency Regulation, in carrying out its tasks, in particular in the process of developing Framework Guidelines and in the process of proposing amendments of Network Codes, the Agency has to "consult extensively and at an early stage with market participants, transmission system operators, consumers, end-users and, where relevant, competition authorities, without prejudice to their respective competence, in an open and transparent manner, in particular when its tasks concern transmission system operators".

More specifically, according to Articles 6(3) of the Electricity Regulation and of the Gas Regulation, the Agency shall formally consult ENTSO-E and ENTSO-G and the other relevant stakeholders in regard to the Framework Guidelines, for the electricity and gas sector respectively, during a period of no less than two months, in an open and transparent manner.

The Agency is in the process of adopting Guidelines for its Public Consultations (currently under stakeholders' consultation).

The Agency is committed to involving and consulting stakeholders extensively, through public consultations, well beyond the minimum requirement set by the Electricity and Gas Regulations. In particular, the Agency will issue consultation documents and, where appropriate, draft impact assessments, and organise public consultations whenever possible. In the case of the Reasoned Opinions on Network Codes and in other instances where the Agency is working under tight deadlines, stakeholders' involvement may be sought through the organisation of Workshops.

Moreover, in the context of the Electricity Regional Initiative, the Agency has organised, since April 2011, an Agency's Electricity Stakeholders Advisory Group, with the participation of NRAs, the European Commission, industry representatives and the Agency, in which

implementation issues are discussed. The Agency intends to maintain this Group in 2013 and to consider whether to establish a similar Group for gas.

## 6.3 Uncertainty and Risks

The regulatory activities planned by the Agency in 2013 and presented in this Section 6 are those which are currently envisaged to be the priorities for the completion of the IEM by 2014, the removal of energy islands by 2015, the effective monitoring of the IEM and of wholesale energy markets and the implementation of the proposed TEN-E Regulation. The timing of the execution of these activities also reflects the current best estimates.

However, as already indicated in Section 3:

- the Agency's activities are often part of a process in which other institutions and entities are involved. Therefore, the ability of the Agency to perform its task in a timely manner depends on the timing of the contributions to the process of other institutions and entities;
- Some planned activities may turn out to require more consideration, including as a result of stakeholders' feedback during public consultations, and/or more effort, leading to changes in their timing, due to the limited resources available to the Agency and to the other institutions and entities involved in the process;
- Circumstances in the energy sector may change, which will require a reprioritisation of some of the planned activities.

In the area of Framework Guidelines and Network Codes the developments are regularly monitored by the Planning Group and a three-year plan of the activities to be performed in

this area by the European Commission, the Agency, ENTSO-E and ENTSOG is maintained<sup>13</sup>.

More generally, the regulatory activities of the Agency planned for 2013 will be exposed to a number of major risks which will affect the performance of the Agency:

- The possibility that the process for the preparation of Framework Guidelines and of the Reasoned Opinions on Network Codes is disrupted. Given the limited resources of the Agency, this process heavily involves experts from NRAs, contributing to the AWGs. In this way, the process can also benefit from the national experience that these experts can contribute. However, this contribution is entirely voluntary and most NRAs are facing an increasingly tightening of their budgets and resource bases. If the participation of NRAs' experts in the AWGs were to be reduced significantly, the Agency would find it difficult to deliver on its Work Programme as envisaged and the whole process of IEM integration may suffer;
- In 2013, the Agency is planning to continue its activities for the full implementation of REMIT, in particular with respect to the market participants' registration process and the development of the data collection and monitoring systems. The Agency estimates<sup>14</sup> that these activities will require, in 2013, an investment in IT infrastructure in the order of € 3 million. However, the Draft Budget for 2013 adopted by the European Commission on 25 April 2012 envisages financial resources for the Agency which will only support investment in IT systems in 2013 in the order of € 100,000. If additional financial resources were not to be made available to the Agency, the fulfilment of its tasks in this area as planned in this Work Programme would prove impossible;

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<sup>13</sup> Cfr. Section 3 above.

<sup>14</sup> Administrative Board Decision AB n° 09/2012, of 31 March 2012 on the estimate of revenue and expenditure of the Agency for the 2013 financial year.

- In 2013, the Agency will also be called to perform activities assigned to it by the proposed TEN-E Regulation, which is expected to enter into force early in the year<sup>15</sup>. The additional activities envisaged for the Agency, mainly in the area of the selection of PCIs, will require additional expert staff for the Agency (at present an addition of 12–14 staff members is envisaged, depending on the exact definition of the tasks during the legislative process). However, the provisions related to this addition in the Agency human resources are included in the Financial Statement of the CEF Regulation, which is expected to enter into force only in late 2013/early 2014. Therefore, the Agency may face the situation in 2013 of having to undertake tasks related to the implementation of TEN-E Regulation without having the required staff, with the risk of underperforming or not being able to deliver on its Work Programme (in the TEN-E Regulation area or in other areas, if reprioritisation of activities were to take place).

## 6.4 Electricity

### 6.4.1 Framework guidelines

#### A) Tariff structures and regulatory framework for investments

<b>Deliverable</b>	<b>Potential Framework Guidelines on harmonisation of national tariff structures and regulatory framework for investments</b>
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<sup>15</sup> In fact, the Commission has already informally started some of the processes, even ahead of the formal adoption of the Regulation.

Legal basis	Article 8 and 18 Reg. (EU) No 714/2009
Status	Analysing national tariff structures and regulatory framework for investments and identifying problems which may require courses of action either through Framework Guidelines or comitology guideline – scoping paper to be prepared in the 2 <sup>nd</sup> semester of 2012
Targets and deadlines (indicative)	Subject to the finding of current ongoing analysis, the Agency may initiate Framework Guidelines work in 2013  Completion expected in 2014
Key performance indicators	The timely delivery of Framework Guidelines, if required
Staff	0.5 SNE + 0.5 TA

## 6.4.2 Network codes

### A) System Operation

<b>Deliverable</b>	<b>Reasoned Opinions on the Network Codes on operational security, operational planning and scheduling and load-frequency control</b>
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	<b>and reserves</b>
Legal basis	Article 6(4) Reg. (EC) No 713/2009; Articles 6(7) and 8(6a, d, e and f) Reg. (EC) No 714/2009
Status	The Framework Guidelines have been submitted to the European Commission in December 2011. By letter of 24 February 2012, the European Commission already invited ENTSO-E to develop network codes on operational security and operational planning by 1 March 2013 and 1 April 2013, respectively. Furthermore, according to the EC/the Agency/ENTSO-E 3-year plan and the above mentioned letter from the European Commission it is expected that ENTSO-E will start drafting the network code on load-frequency control and reserves on 1 July 2012
Targets and deadlines (indicative)	Delivery of the Reasoned Opinion on Network Code on: <ul style="list-style-type: none"> <li>- operational security by Q1 2013</li> <li>- operational planning and scheduling by Q2 2013</li> <li>- load-frequency control and reserves by Q3 2013</li> </ul>
Key performance indicators	The timely delivery of the Reasoned Opinion on each network code
Staff	1 TA

Risk assessment	The timely delivery of the Agency Reasoned Opinion highly depends on the timely submission of the Network Code by ENTSO-E. This timely submission by ENTSO-E highly depends on the quality of stakeholders' involvement in the drafting process and on the quality of justifications provided by ENTSO-E to support the Network Code.
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**B) Grid Connection**

<b>Deliverable</b>	<b>Reasoned Opinion on the network code on DSO and industrial load grid connection rules in electricity</b>
Legal basis	Article 6(4) Reg. (EC) No 713/2009; Articles 6(7) and 8(6b) Reg. (EC) No 714/2009
Status	The Framework Guidelines were submitted to the European Commission in July 2011. By letter of 5 January 2012, the European Commission invited ENTSO-E to develop a Network Code on DSO and industrial load grid connection rules in electricity until 5 January 2013
Targets and deadlines (indicative)	Delivery of the Reasoned Opinion on the network code on DSO and industrial load grid connection rules in electricity at the beginning of Q2 2013



Key performance indicators	The timely delivery of the Reasoned Opinion on the Network Code
Staff	0.5 TA
Risk assessment	The timely delivery of the Agency Reasoned Opinion highly depends on the timely submission of the Network Code by ENTSO-E. This timely submission by ENTSO-E highly depends on the quality of stakeholders' involvement in the drafting process and on the quality of justifications provided by ENTSO-E to support the Network Code.

### C) Capacity allocation congestion management

<b>Deliverable</b>	<b>Reasoned opinion on the Network Code on long-term (forward) capacity allocation</b>
Legal basis	Article 6(4) Reg. (EC) No 713/2009; Articles 6(7) and 8(6g) Reg. (EC) No 714/2009
Status	The Framework Guidelines were submitted to the European Commission in July 2011. According to the EC/the Agency/ENTSO-E 3-year plan and taking into account the European Commission letter of 24 February 2012, it is expected that ENTSO-E will start developing a Network Code on long-term (forward) capacity allocation on 1 October 2012

Targets and deadlines (indicative)	Delivery of the Reasoned Opinion on the Network Code on longer term (forward) capacity allocation by Q4 2013
Key performance indicators	The timely delivery of the Reasoned Opinion on the Network Code
Staff	0.5 TA
Risk assessment	The timely delivery of the Agency Reasoned Opinion highly depends on the timely submission of the Network Code by ENTSO-E. This timely submission by ENTSO-E highly depends on the quality of stakeholders' involvement in the drafting process and on the quality of justifications provided by ENTSO-E to support the Network Code.

#### D) Balancing

<b>Deliverable</b>	<b>Reasoned Opinion on the Network Code on electricity balancing</b>
Legal basis	Article 6(4) Reg. (EC) No 713/2009; Articles 6(7) and 8(6h and j) Reg. (EC) No 714/2009

Status	The Framework Guidelines are expected to be submitted to the European Commission in September 2012
Targets and deadlines (indicative)	Delivery of the Reasoned Opinion on the Network Code on electricity balancing by Q4 2013
Key performance indicators	The timely delivery of the Reasoned Opinion on the network code on electricity balancing
Staff	0.5 TA
Risk assessment	The timely delivery of the Agency Reasoned Opinion highly depends on the timely submission of the Network Code by ENTSO-E. This timely submission by ENTSO-E highly depends on the quality of stakeholders' involvement in the drafting process and on the quality of justifications provided by ENTSO-E to support the Network Code.

### 6.4.3 ITC compensation

#### A) Monitoring the implementation and reviewing the cross-border infrastructure sum

<b>Deliverables</b>	<p><b>Two strands:</b></p> <p><b>(a) Annual monitoring report on the implementation and management of the ITC fund in 2012</b></p> <p><b>(b) Proposal to the European Commission on the annual Cross-Border infrastructure compensation sum, and an opinion as to suitability of using long run average incremental costs for the assessment</b></p>
Legal basis	<p>(a) Paragraph 1.4</p> <p>(b) Paragraphs 5.3 and 5.5</p> <p>of Annex Part A, Commission Regulation No. 838/2010/EC</p>
Status	<p>(a) In the process of finalising the 2011 Annual monitoring report</p> <p>(b) In the process of stakeholder engagement; the Agency commissioned a consultancy study to be completed by December 2012</p>
Targets and deadlines (indicative)	<p>(a) Monitoring report on 2012 ITC implementation: August 2013</p> <p>(b) Report on annual cross-border infrastructure sum: March 2013</p>
Key performance	The timely delivery of:

indicators	<ul style="list-style-type: none"> <li>- the monitoring report on the implementation and management of the ITC fund in 2012</li> <li>- the proposal to the Commission on the annual cross-border infrastructure sum</li> </ul>
Staff	0.5 SNE

**B) Appropriate range or ranges for the annual average transmission charges paid by producers**

Deliverable	Opinion on the appropriate range or ranges of transmission charges paid by producers for the period after 1 January 2015
Legal basis	Annex, Part B, Article (5) of Regulation (EC) 838/2010
Status	No activity yet
Targets and deadlines (indicative)	Expected completion date: December 2013
Key performance	Timely delivery of the opinion

indicators	
Staff	0.5 TA

#### 6.4.4 Network Development Planning

##### A) Ten-year network development plans and regional investment plans

<b>Deliverables</b>	<p>Opinion on the electricity national ten-year network development plans to assess their consistency with the Community-wide network development plan.</p> <p>Report on monitoring the implementation of the electricity Community-wide network development plans and the progresses as regards the implementation of projects to create new interconnector capacity.</p> <p>Opinion on ENTSO-E's draft Scenario Outlook &amp; Adequacy Forecast 2013 as component part of the electricity Community-wide network development plan 2014.</p> <p>Monitoring the regional cooperation of transmission system operators with regard to electricity regional investment plans as component part of the electricity Community-wide network development plan 2014.</p>
Legal basis	Article 8(11) Regulation (EC) 714/2009

	<p>Articles 6(7) and 6(8) Regulation (EC) 713/2009</p> <p>Article 6(3)(b) Regulation (EC) 713/2009</p> <p>Article 6(9) Regulation (EC) 713/2009</p>
Status	<p>Activities on the electricity ten-year network development plan, including scenarios and regional investment plans, have been carried out in 2012.</p>
Targets and deadlines (indicative)	<p>Depending on the actual availability of the national ten-year network development plans</p> <p>By the end of year 2013</p> <p>Upon receipt of the Scenario Outlook &amp; Adequacy Forecast 2013.</p> <p>Continuous monitoring activity, which feeds into Agency's opinions.</p>
Key performance indicators	<p>Delivery of the opinion on consistency</p> <p>Delivery of the report on monitoring implementation of network developments</p> <p>Delivery of the opinion on Scenario Outlook &amp; Adequacy Forecast</p>
Staff	<p>1 TA</p>

Risk assessment	The opinion on consistency depends on the actual availability of the national ten-year network development plans
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## 6.5 Natural Gas

### 6.5.1 Network Codes

#### A) Gas Balancing

Deliverable	Reasoned Opinion on the Network Code on Balancing Rules
Legal basis	Articles 6(7), (8), (9) Regulation (EC) 715/2009
Status	The draft Network Code is being developed by ENTSOG and will be submitted to the Agency by Q3 2012
Targets and deadlines (indicative)	Delivery of the Reasoned Opinion on the Network Code on balancing rules by Q1 2013
Key performance indicators	The timely delivery of the Reasoned Opinion on the Network Code



Staff	1 SNE
Risk assessment	<p>The timely delivery of the Agency's Reasoned Opinion highly depends on the timely submission of the Network Code by ENTSOG.</p> <p>Different technical conditions in some transmission and distribution systems may impact timely delivery</p>

## B) Interoperability and Data Exchange Rules

<b>Deliverable</b>	<b>Reasoned Opinion on Network Code on interoperability and data exchange rules</b>
Legal basis	Articles 6(2) and 8(6)(e) Regulation (EC) 715/2009
Status	The Framework Guidelines are expected to be submitted to the European Commission in August 2012
Targets and deadlines (indicative)	Delivery of the Reasoned Opinion on the Network Code on interoperability and data exchange rules by Q3 2013

Key performance indicators	The timely delivery of the Reasoned Opinion on the Network Code
Staff	1 TA
Risk assessment	The timely delivery of the Agency's Reasoned Opinion highly depends on the timely submission of the Network Code by ENTSOG

### C) Harmonised transmission tariff structures

<b>Deliverable</b>	<b>Reasoned Opinion on the Network Code on harmonised transmission tariff structures</b>
Legal basis	Articles 6(2) and 8(6k) Regulation (EC) 715/2009
Status	The Draft Framework Guidelines are expected to be submitted to the European Commission in Q3 2012

Targets and deadlines (indicative)	Delivery of the Reasoned Opinion on the Network Code on harmonised transmission tariff structures by Q4 2013 or Q1 2014
Key performance indicators	The timely delivery of the Reasoned Opinion on the Network Code
Staff	1 SNE, 1.5 TA
Risk assessment	<p>The timely delivery of the Agency's Reasoned Opinion highly depends on the timely submission of the Network Code by ENTSOG</p> <p>Difficulties to reach a common position due to the sensitive nature of the issue, which relates to primary NRAs' competences within their own jurisdiction may delay the process. Also, and arguably for the same reasons, disagreement among TSOs leading to difficulties within ENTSOG to establish an agreed Network Code, may also delay the process</p>

### 6.5.2 Guidelines on Exemptions for Major New Gas Infrastructure

<b>Deliverable</b>	<p><b>Best Practices Guidelines on Exemptions for Major New Gas Infrastructure</b></p> <p><b>(practical recommendations and policies directed towards the</b></p>
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	<b>NRAs for their exemption decisions under Article 36 of the Gas Directive)</b>
Legal basis	Article 36 of Directive 2009/73/EC and, in particular, Article 36(4).
Status	No activities yet
Targets and deadlines (indicative)	Public consultation: May – July 2013  Guidelines adopted and published: December 2013
Key performance indicators	The timely publication of the Best Practices Guidelines
Staff	0.5 TA
Risk assessment	Lack of stakeholder involvement; the consultancy work will be conditional upon the availability of sufficient financial resources

## 6.5.1 Network Development Planning

<p><b>Deliverables</b></p>	<p><b>Opinion or reasoned opinion with recommendations on the gas Community-wide ten-year network development plan</b></p> <p><b>Reviews and recommendations on national ten-year network development plans with regard to their (in)consistency with the Community-wide network development plan</b></p> <p><b>Report on monitoring the implementation of the Community-wide network development plan and on the progress with the implementation of investment projects to create new interconnector capacity</b></p> <p><b>Monitoring the regional cooperation of transmission system operators with regard to regional investment plans</b></p>
<p><b>Legal basis</b></p>	<p>Article 8(11) Regulation (EC) 715/2009</p> <p>Articles 6(7) and 6(8) Regulation (EC) 713/2009</p> <p>Article 6(3)(b) Regulation (EC) 713/2009</p> <p>Article 6(9) Regulation (EC) 713/2009</p>
<p><b>Status</b></p>	<p>Activities on the Community-wide ten-year network development plan 2013-2020 have started in the second half of 2011 and have continued throughout 2012</p>

<p>Targets and deadlines (indicative)</p>	<p>Agency's opinion on the Community-wide TYNDP provided by March-May 2013, conditional upon the availability of the national ten-year network development plans</p> <p>Continuous monitoring activity, feeding into the Agency's opinions or provided separately if necessary</p>
<p>Key performance indicators</p>	<p>Timely delivery of the relevant documents</p>
<p>Staff</p>	<p>2 TAs</p>
<p>Risk assessment</p>	<p>Timely submission of Community-wide ten-year network development plan by ENTSO-G</p> <p>Timely availability of national ten-year network development plans</p>

## 6.6 Cross-Sector Issues

### 6.6.1 Monitoring

#### A) Monitoring of the internal markets in electricity and natural gas

Deliverable	Annual Market Monitoring Report <sup>16</sup>
Legal basis	Articles 11 (1) and (2) of Regulation (EC) 713/2009.
Status	<p>In 2012, the Agency identified an adequate methodology to monitor the EU gas and electricity markets. The Agency coordinated with the European Commission (DG ENER) in order to avoid duplication of work on energy market monitoring. The 2012 market monitoring report, covering 2011, is a joint Agency/CEER document</p> <p>In April and June 2012, the Agency - jointly with CEER - organised two workshops on methodology and data collection for network access, wholesale, and retail market monitoring. NRAs were invited to present their experience. The Agency also met several stakeholders in Brussels</p>

<sup>16</sup> The objective of the Agency's market monitoring activities is to assess the functioning of EU markets in electricity and natural gas and to suggest to the European Parliament and the Commission how to remove any possible identified barriers to the completion of the Internal Energy Market by 2014. The results of the Agency's monitoring activities are presented in an annual market monitoring report.

The Agency reports on the Internal Energy Market and, in particular, on the evolution of retail prices of electricity and natural gas wholesale market integration, on access to networks including electricity produced from renewable energy sources, and on the compliance with consumer rights.

Moreover, the report may identify any existing barriers to the completion of the Internal Energy Market and recommend improvements in market design.

	<p>and London to collect expert views</p> <p>In 2012-13, the Agency will significantly increase access to market monitoring data through CEER, the Regional Initiatives, and the Commission's EMOS platform. The latter includes (or will soon include) online data provided by ENTSO-E/G (transparency platforms), Eurostat, IEA, and commercial data aggregators</p> <p>In the annual market monitoring to be carried out in 2013 the Agency will devote additional attention to unplanned electricity flows/'loop flows')</p> <p>In the 2013 Market Monitoring Report, the Agency will also assess any electricity capacity market developments at a national level, and their potential impact on the market integration process</p>
<p>Targets and deadlines (indicative)</p>	<p>Annual market monitoring report, including loop flows and capacity markets in electricity:</p> <ul style="list-style-type: none"> <li>- Expected completion date: November/December 2013</li> <li>- Published version: January 2014</li> </ul>
<p>Key performance indicators</p>	<p>Timely completion of the annual market monitoring report</p> <p>Positive feedback by the European Parliament, Commission, National Regulatory Authorities and other stakeholders, including positive feedback from a survey following the publication and presentation of the report</p>



Staff	Electricity: 1 TA, 3 SNEs; Gas: 1 TA, 2 SNEs.
Risk assessment	The quality of the report depends on the quality of the data received; Human resources constraints may impact the timely delivery and the quality of the report; The integrity of data needs to be secured electronically.

**B) Monitoring of ENTSO-E and ENTSO-G activities**

<b>Deliverable</b>	<b>Report to the European Commission on the execution of the tasks of ENTSO-E and ENTSO-G referred to in Art. 8(1), (2) and (3) of Regulation (EC) 714/2009 and Regulation (EC) 715/2009</b>
Legal basis	Article 9(1) Regulation (EC) 714/2009 and Regulation (EC) 715/2009
Status	Reporting on ENTSOs' tasks during 2011 is part of the Agency's 2012 annual report
Targets and deadlines (indicative)	By June 2013
Key performance indicators	Timely delivery of the report

Staff	1 TA
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## 6.6.2 Regional Initiatives

### A) Support and monitoring

Deliverable	Coordination and monitoring of activities for the parallel early implementation of Network Codes
Legal basis	<p>Several articles on regional dimension of Regulations (EC) 713/2009, 714/2009 and 715/2009</p> <p>European Commission Communication on RIs (“EREG RIs” will become “the Agency RIs”)</p>
Status	<p>Roadmaps for the Electricity Regional Initiative were endorsed by the Florence Forum in December 2011 and are under implementation</p> <p>Roadmaps for the Gas Regional Initiative are expected to be endorsed by the Madrid Forum in October 2012 and will be implemented during 2013</p>
Targets and deadlines	<p>Ongoing</p> <p>Progress against the roadmaps to be reviewed regularly through the</p>

(indicative)	Status Review reports
Key performance indicators	n/a
Staff	1 TA

### B) Annual Status Review Report

Deliverable	the Agency Regional Initiatives Annual Status Review Report
Legal Basis	<p>Several articles on regional dimension of Regulations (EC) 713/2009, 714/2009 and 715/2009</p> <p>European Commission Communication on RIs (“ERGEG RIs” will become “the Agency RIs”)</p>
Status	This report is meant to be a transparency tool for all stakeholders informing them on progress achieved and obstacles encountered during the year and about the way forward
Related documents	The Agency Regional Initiatives Status Review Report 2011: “Getting

	<p>to 2014: the Role of Regional Initiatives” (March 2012)</p> <p>Strategy for delivering a more integrated European energy market: The role of the ERGEG Regional Initiatives (May 2010)</p> <p>Online the Agency Electricity Regional Initiative Quarterly Reports</p> <p>Online the Agency Gas Regional Initiative Quarterly Reports</p> <p>The Agency Cross-regional roadmaps</p> <p>The Agency Regional Work Plans</p>
<p>Targets and deadlines (indicative)</p>	<p>Regional Initiatives Status Review Report 2013</p> <p>Expected completion date: December 2013</p>
<p>Key performance indicator</p>	<p>Timely completion of the report</p>
<p>Staff</p>	<p>1 TA (for electricity) + 1 TA (for gas)</p>
<p>Risk assessment</p>	<p>Delay of input by the Lead regulators may delay the process</p>

### C) Quarterly Reports

<b>Deliverables</b>	<p><b>On-line quarterly reports on the activities of the Electricity Regional Initiative</b></p> <p><b>On-line quarterly reports on the activities of the Gas Regional Initiative</b></p>
Legal basis	Several articles on regional dimension of Regulations (EC) 713/2009, 714/2009 and 715/2009
Status	Those on-line reports are complementary to the Agency Regional Initiatives Annual Status Review Report, allowing for a more updated track of regional developments
Related documents	<p>The Agency Cross-regional roadmaps</p> <p>The Agency Regional roadmaps</p>
Targets and deadlines (indicative)	Expected completion dates: January, April, July and November 2013
Key performance indicators	Timely completion of the monitoring reports
Staff	1 TA (for electricity) + 1 TA (for gas)

### 6.6.3 Infrastructure development (ex TEN-E Regulation)

The tasks assigned to the Agency refer to the 31 July 2012 Council-amended text of the draft TEN-E Regulation [5139/5/12 REV 5 - Brussels, 31 July 2012]. In order to provide indicative deadlines, it is assumed that the Regulation enters into force end of December 2012. The performance of these tasks is subject to the required resources being available in the Agency, as indicated in Section

#### A) Identification of Projects of Common Interest (PCIs)

<b>Deliverable</b>	<b>Opinion the consistent application of the criteria and the CBA methodology for submitted projects and evaluation of their European added value [electricity transmission and storage projects, gas projects, electricity smart grid projects].</b>
Legal basis	TEN-E Regulation, Annex III, part 2, point (5a)
Status	Preparatory activities carried out in 2012 (esp. participation in the regional Groups)
Targets and deadlines (indicative)	The deadline is not set in the Council text  It can be assumed that the activities have to be carried out between the submission of the applications by project promoters and the submission of the regional lists by each regional Group to the Agency . It would correspond to the period till end January 2013

Key performance indicators	To be defined after the final EIP provisions
Staff	2 TAs
Risk assessment	Uncertainties related to the finalisation of the regulation

<b>Deliverable</b>	<b>Opinion on the consistent application of the criteria and the CBA across regions [electricity transmission and storage projects, gas projects, electricity smart grid projects].</b>
Legal basis	TEN-E Regulation, Annex III, part 2, point 5(e) and Annex III, part 1, point 5
Status	Preparatory activities carried out in 2012 (esp. participation in the regional groups)
Targets and deadlines (indicative)	The deadline depends upon the submission of the lists of projects. It is set within three months from the date of receipt

	<p>It would correspond to April 2013</p> <p>The task is repeated every two years</p>
Key performance indicators	Timely delivery of the deliverable (t.b.c. after the final EIP provisions)
Staff:	4 TAs
Risk assessment	Uncertainties related to the finalisation of the regulation and on adequate resources being available to the Agency <sup>17</sup>

### **B) Methodology for energy system- wide cost-benefit analysis**

<b>Deliverable</b>	<b>Opinion on the methodology for a harmonised energy system-wide cost-benefit analysis at Union-wide level for PCIs in the categories set out in points 1(a) to (d) and 2 [electricity transmission and storage projects, gas projects]</b>
Legal basis	TEN-E Regulation, Article 12(2)

<sup>17</sup> Cfr. Section on Uncertainties and Risks



Status	Preparatory activities carried out in 2012.  Close collaboration with ENTSOs which are preparing the CBA methodology
Targets and deadlines (indicative)	The deadline is set within three months of the day of receipt of the methodology submitted by the ENTSOs
Key performance indicators	Timely delivery of the opinion
Staff	2 TAs
Risk assessment	Uncertainties related to the finalisation of the Regulation

### C) Enabling investments in PCIs

<b>Deliverable</b>	<b>Facilitate the sharing of good practices and make recommendations on incentives and risk assessment methodology</b>
Legal basis	TEN-E Regulation, Article 14(5)

Status	No activity yet
Targets and deadlines (indicative)	December 2013
Key performance indicators	Timely delivery of the good practices
Staff	2 TAs
Risk assessment	Uncertainties related to the finalisation of the Regulation

#### 6.6.4 Opinion on ENTSO-E and ENTSO-G relevant documents

<b>Deliverables</b>	<p><b>Opinions on ENTSO-E's and ENTSO-G's annual work programmes.</b></p> <p><b>Opinions on ENTSOs' annual reports.</b></p> <p><b>Opinions on ENTSOs' common network operation tools including a common incidents classification scale, and research plans.</b></p> <p><b>Opinions on ENTSOs' annual summer and winter outlooks.</b></p> <p><b>Opinions on ENTSOs' recommendations relating to the</b></p>
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<b>coordination of technical cooperation between Community and third-country transmission system operators.</b>	
Legal basis	<p>For all deliverables: Article 6(3)(b) Regulation (EC) 713/2009</p> <p>For work programmes: Article 6(4) Regulation (EC) 713/2009 and Article 9(2) Regulation (EC) 714/2009 and Regulation (EC) 715/2009</p>
Status	Opinions have been released on documents submitted during previous years
Targets and deadlines (indicative)	<p>Upon receipt of the 2014 Work Programmes from ENTSOs, the Agency will deliver its opinion within 2 months from the day of receipt (this work will be performed by the Agency staff in close cooperation with the Agency Working Groups)</p> <p>Other opinions provided upon receipt of ENTSOs' relevant documents</p>
Key performance indicators	<p>Timely delivery of the opinion on ENTSO-E's and ENTSO-G's work programmes</p> <p>Delivery of the other documents listed above</p>
Staff	1 TA

## 6.6.5 Activities which are subject to specific conditions

The activities listed in this Section are either performed upon request from certain parties specified in the Third Package or in the TEN-E Regulation, or are triggered by certain external events.

### A) Decisions on terms and conditions and operational security of cross-border interconnectors

<b>Deliverable</b>	<b>On demand, decision on terms and conditions and operational security of cross-border interconnectors, when requested jointly by the concerned NRAs or when the concerned NRAs fail to take a decision within a predefined period (6 months, with possible extension)</b>
Legal basis	Regulation (EC) 713/2009, Article 8
Status	On demand
Targets and deadlines (indicative)	Expected completion date: up to 6 months from date of referral to the Agency
Key performance indicators	Timely delivery of decision

Staff	1 TA (0.5 for electricity + 0.5 for gas)
Risk assessment	Coordination with stakeholders, access to information critical for performance of task

**B) Advice to the Commission on the certification of Transmission System Operators (TSOs)**

<b>Deliverable</b>	<b>Opinion upon request of the Commission on decisions of national regulatory authorities on TSO certification</b>
Legal basis	Article 9(2) of Regulation (EC) 713/2009  Article 3(1) of Regulations (EC) 714/2009 and 715/2009
Status	Regular consultation and information exchange is taking place between the Commission and the Agency. Upon request of the Commission. The Agency has not been requested to provide the opinion on the national regulatory authority's decision regarding the certification of TSOs yet.
Targets and deadlines (indicative)	The deadline for providing the Agency's opinion is two months from the receipt of a Commission request.

Key performance indicator	Timely delivery of the Agency's opinion to the Commission
Staff	0.5 TAs (0.25 for electricity + 0.25 for gas)
Risk assessment	Tight time constraints regarding the provision of the formal opinion of the Agency on time

**C) the Agency decisions on exemptions of new cross-border infrastructure**

<b>Deliverable</b>	<b>Decisions on specific cases related to terms and conditions for access to cross-border interconnections and exemptions</b>
Legal basis	Article 9(1) of Regulation 713/2009
Status	The Agency shall take a decision on regulatory issues that fall within the competence of multiple NRAs, if the competent NRAs do not reach an agreement within 6 months from referral of the case to the last NRA to be notified, or if the competent NRAs jointly request such a decision from the Agency.
Targets and deadlines	Decision delivered within six months from referral, unless additional

(indicative)	information is required
Key performance indicators	Timely delivery of the decision
Staff	2 TA (0.5 for electricity + 0.5 for gas)

**D) Opinion and recommendations in the areas of its competence, to Member States, National Regulatory Authorities, the European Parliament, the Council and the European Commission**

<b>Deliverable</b>	<b>Opinions and recommendations in the areas of its competence, to Member States, National Regulatory Authorities, the European Parliament, the Council and the European Commission</b>
Legal basis	Regulation (EC) 713/2009, Article 5
Status	Upon request
Targets and deadlines (indicative)	Opinion/recommendation delivered within six months from the request, except for complex issues requiring data collection/surveys/consultations

Key performance indicators	Delivery of opinion or recommendation
Staff	1 TA

**E) Opinion and recommendations on its own initiative**

<b>Deliverable</b>	<b>Opinions and Recommendations of its own initiative, whenever appropriate, for ensuring the proper functioning of the European Internal Energy Market.</b>
Legal basis	Regulation (EC) 713/2009, Article 5
Status	The Agency has a responsibility to issue Opinions and Recommendations of its own initiative, whenever this is appropriate, for ensuring the proper functioning of the European Internal Energy Market
Targets and deadlines (indicative)	To be initiated when necessary or appropriate
Key performance	Delivery of Opinion or Recommendation



indicators:	
Staff	1 TA

**F) Cross-border cost allocation for PCIs**

<b>Deliverable</b>	<b>Decisions on the investment request, including cross-border cost allocation and the way investment costs are reflected in tariffs, either upon request of the NRAs involved or if they fail to reach an agreement</b>
Legal basis	TEN-E Regulation, Article 13(6)
Status	No activity yet
Targets and deadlines (indicative)	To be initiated when necessary or appropriate
Key performance indicators	Timely delivery

Staff	2 TAs
Risk assessment	Uncertainties related to the finalisation of the Regulation

## 6.7 REMIT Implementation

Tasks to be performed by the Agency in 2013 and related to the implementation of REMIT will depend on the timing of the adoption of the REMIT Implementing Acts. Assuming that the Implementing Act on the “Records of Transactions” is adopted by mid- 2013, the Agency will be called to perform the activities presented below.

The additional staff which will be devoted to the tasks presented in this Section 6.7 will be mostly recruited in 2013. Therefore, each additional member of staff is counted as ½ full-time equivalent over the whole year.

<b>Deliverable</b>	<b>Contributions in the context of the adoption of the REMIT Implementing Act</b>
Legal basis	Article 7(3), 8(2) and 8(5) of Reg. (EU) 1227/2011
Status	In the process of consulting REMIT stakeholders (according to art. 7(3) of REMIT: interested parties, in particular NRAs, competent financial authorities in the Member States, national competition authorities and ESMA) on the Agency recommendations to the Commission as to the

	record of transactions, including orders to trade.
Targets and deadlines (indicative)	<p>The implementing acts are expected to be adopted by the end of 2013</p> <p>The Agency recommendations are expected to be issued, after wide consultation, in Q3 2012</p> <p>During 2013, further recommendations could be adopted where necessary and further support to the Commission might be required during the Comitology process</p>
Key performance indicators	Timely adoption of the Agency Recommendations
Staff	0.5 TA, 1.5 SNEs
Risk assessment	High complexity of the topic and need to balance the existing systems created on a voluntary basis by market participants for trading (e.g. EFETnet) with the future reporting system to be set-up by the Agency for the purposes of market monitoring under REMIT legislative constraints

<b>Deliverable</b>	<b>Update of the Agency guidance on the application of REMIT definitions and cooperation with NRAs, including at regional level</b>
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Legal basis	Article 16(1) of Reg. (EU) 1227/2011
Status	<p>In the process of issuing a second edition of the Guidance (expected Q3 2012)</p> <p>An electronic forum has been set up to support the exchange of views amongst the members of Wholesale Market Surveillance (WMS) Task Force and the NRA cooperation including at regional level for the purpose of carrying out their duties in accordance with REMIT</p> <p>Further, two expert groups will be set-up in Q3 2012 to gather expert views</p>
Targets and deadlines (indicative)	Third edition of the Agency Guidance to be published during 2013 (indicatively Q2)
Key performance indicators	The timely adoption of the Agency Guidance (3 <sup>rd</sup> edition)
Staff	1 TA, 1 SNE
Risk assessment	The Agency is not the body in charge of the interpretation of REMIT. Non-binding Guidance is directed to NRAs and is published to ensure transparency. Its content is however binding for the Agency

<b>Deliverable</b>	<b>Development of IT solutions for the registration of market participants</b>
Legal basis	Article 9 of Reg. (EU) 1227/2011
Status	<p>High-level analysis of the requirements for the registration IT-system completed</p> <p>Public consultation of the Registration Format completed</p> <p>Expected the Agency Decision on the Registration Format according to which information in national registries is transmitted to the Agency: Q2 2012</p> <p>Procurement tender for a framework contract expected to be issued in Q2 2012 and to be awarded in Q3 2012</p> <p>Purchase order for detailed analysis and software development of the registration platform expected in Q4 2012</p>
Targets and deadlines (indicative)	Registration shall start no later than 3 months from the adoption of the implementing acts
Key performance indicators	Full deployment and running of the IT-system for registration earlier than the deadline envisaged by the Regulation, in order to allow more time for both the NRAs and market participants to complete the first phase of the

	registration
Staff	1 TA, 1 SNE (plus cooperation of IT office)
Risk assessment	The nature of the registration process is national. NRAs might not have sufficient resources to manage the strict deadline of 3 months for completing the first phase of registration, especially in countries with a high number of market participants. Practical solutions have to be adopted for ensuring the completion of the registration process within the time scale envisaged by REMIT

<b>Deliverable</b>	<b>Development of IT solutions for market surveillance, data collection, and data sharing between the Agency and NRAs of wholesale energy markets</b>
Legal basis	Articles 7, 8 and 10 of Reg. (EU) 1227/2011
Status	<p>A Commission consultancy project (DG ENER) on IT requirements for the Agency REMIT Information System was completed in Q3 2012</p> <p>Procurement tender for a framework contract issued in Q2 2012 and expected to be awarded in Q3 2012</p> <p>Purchase order for detailed analysis and software development of the</p>

	data collection platform expected to be issued in Q4 2012
Targets and deadlines (indicative)	<p>Preparation of a procurement contract for market surveillance software and customisation expected in 2012 for awarded in Q1 2013 at the latest</p> <p>Market monitoring under REMIT shall start 6 months after the implementing acts are adopted (this could effectively mean in 2014)</p>
Key performance indicators	<p>The timely awarding and execution of the procurement contract for market surveillance software and customisation</p> <p>The timely execution of the order for detailed analysis and software development of the data collection platform</p>
Staff	1.5 TA, 0.5 SNEs plus constant cooperation from IT officers and procurement staff
Risk assessment	<p>The data collection process will be extremely complex due to the extensive amount of data to be gathered and the variety of sources. Many operational aspects have to be defined through the implementing acts, but it is not possible to wait until their formal adoption otherwise the IT system may not be ready on time. Therefore, some adjustments will be needed during the course of 2013 and requests for change may become necessary</p> <p>For the time being, the proposed Agency budget for 2013 does not foresee adequate resources for this activity</p>

<b>Deliverable</b>	<b>Definition of the wholesale energy market monitoring strategy for the effective implementation of REMIT (detection of instances of market abuse), including cooperation with ESMA.</b>
Legal basis	Articles 7 of Reg. (EU) 1227/2011
Status	<p>An ad-hoc group established in late 2011 analysed the resource availability among NRAs and concluded that NRAs have to invest in skilled people in order to cope with the new functions assigned to them by REMIT</p> <p>These deliverables will include the definition of the format for coordination of NRAs' investigation activities on instances of cross-border market abuse</p>
Targets and deadlines (indicative)	<p>Market monitoring under REMIT shall start 6 months after the implementing acts are adopted (effectively by 2014)</p> <p>Agency Decision on the format for coordinating NRAs' investigation activities on instances of cross-border market abuse: expected in Q4 2013</p>
Key performance indicators	Timely adoption of the Agency's Decision on the coordination of NRAs' investigation activities on instances of cross-border market abuse
Staff	1 TA, 1 SNE



Risk assessment	High complexity and novelty of the matter; need for a long learning process and possibly a shared IT-system for market monitoring; cost issues remain to be clarified (see above for development of IT solutions for market monitoring)
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<b>Deliverable</b>	<b>Definition of mechanisms for sharing the information among the Agency, NRAs, ESMA and other authorities and of transparent rules for the dissemination of information.</b>
Legal basis	Article 10(1) and 12(2) of Reg. (EU) 1227/2011
Status	Regular collaboration with ESMA started in Q2 2012 and is expected to intensify during the second half of 2012 also in view of ESMA's public consultation on the EMIR record of transactions
Targets and deadlines (indicative)	<p>Public consultation on the mechanisms for information sharing with NRAs, competent financial authorities of the Member States, national competition authorities, ESMA and other relevant authorities: Q2 2013</p> <p>Decision on the mechanisms for information sharing with NRAs, competent financial authorities of the Member States, national competition authorities, ESMA and other relevant authorities: Q4 2013</p> <p>Public consultation on the transparent rules for the dissemination of</p>

	information according to Art. 12(2) of REMIT: Q4 2013
Key performance indicators	Timely issuing of the above referred public consultations  Timely adoption of the Agency's Decision on mechanisms for information sharing
Staff	1 TA (plus cooperation from IT officers)

<b>Deliverable</b>	<b>The annual report on the Agency activities under REMIT</b>
Legal basis	Article 7(3) of Reg. (EU) 1227/2011
Status	At least on an annual basis the Agency shall submit a Report to the Commission in which it assesses the operation and transparency of different categories of market places as well as the ways of trading. The Agency may make recommendations to the Commission as regards market rules, standards, and procedures which could improve market integrity and the functioning of the internal market. The Agency may also evaluate whether any minimum requirements for organised markets could contribute to enhancing market transparency
Targets and	The first REMIT Annual Report will be focused on the implementation

<p>deadlines (indicative)</p>	<p>activities, as it is likely that market monitoring under REMIT will not start until 2014 due to the lead times associated with the adoption of the Implementing acts</p> <p>Expected submission of the first Annual Report on REMIT: Q3/Q4 2013</p>
<p>Key performance indicators</p>	<p>Timely submission of the first Annual Report on REMIT implementation and of the above mentioned public consultations</p>
<p>Staff</p>	<p>1 TA</p>

## **ANNEX 1: LIST OF ABBREVIATIONS**

the Agency	Agency for the Cooperation of Energy Regulators
AB	Administrative Board
BoA	Board of Appeal
BoR	Board of Regulators
CEER	Council of European Energy Regulators
Dir	Directive
EC	European Commission
SNE	Seconded National Expert
ENTSO-E	European Network of Transmission System Operators for Electricity
EWG	Electricity Working Group

EP	European Parliament
EREGG	European Regulators' Group for Electricity and Gas
GGP	Guidelines of Good Practice
GWG	Gas Working Group
IEM	Internal Energy Market
IIA	Initial Impact Assessment
MS	Member State
NDP	Network Development Plan
NRA	National Regulatory Authority
Reg	Regulation
REMIT	Regulation for Energy Market Integrity and Transparency

TSO	Transmission System Operator
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## ANNEX 2: INDICATIVE PROCUREMENT PLAN FOR OPERATIONAL ACTIVITIES FOR 2013

ACTIVITY	ESTIMATED VALUE in EUR <sup>18</sup>	TENTATIVE NUMBER OF CONTRACTS <sup>19</sup>	TENTATIVE TIMEFRAME <sup>20</sup>
Web development services, infrastructure hosting services and IT consultancy services for the implementation of the Agency's REMIT Information System	100.000	1	Q1-Q2
Provision of consultant studies in the field of electricity and gas	153.800	3	Q1-Q3
Catering for events	25.000	2	Q1-Q2
Conference facilities for events	25.000	2	Q1-Q2
Technical assistance for events and campaigns	60.000	1	Q2-Q3

<sup>18</sup> Estimated commitments 2013.

<sup>19</sup> Framework contracts, specific contracts, direct contracts, amendments or agreements, as appropriate. Order forms throughout the year are counted as one contract.

<sup>20</sup> Tentative timeframe for launching new procurement procedure or for signing specific contracts/order forms under the existing framework contracts.

Provision of legal services for the Board of Appeal	40.000	1	Q1
Technical assistance for the Agency's website	50.000	1	Q2-Q3
Provision of information and branded material	15.000	2	Q3-Q4
Provision of printing services for the Agency's reports	50.000	1	Q1-Q4
<b>TOTAL PLANNED PROCUREMENT 2013</b>	<b>532.800</b>	<b>14</b>	





**Publishing date:** 28/09/2012

**Document title:** ACER Work Programme 2013

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