


ACER

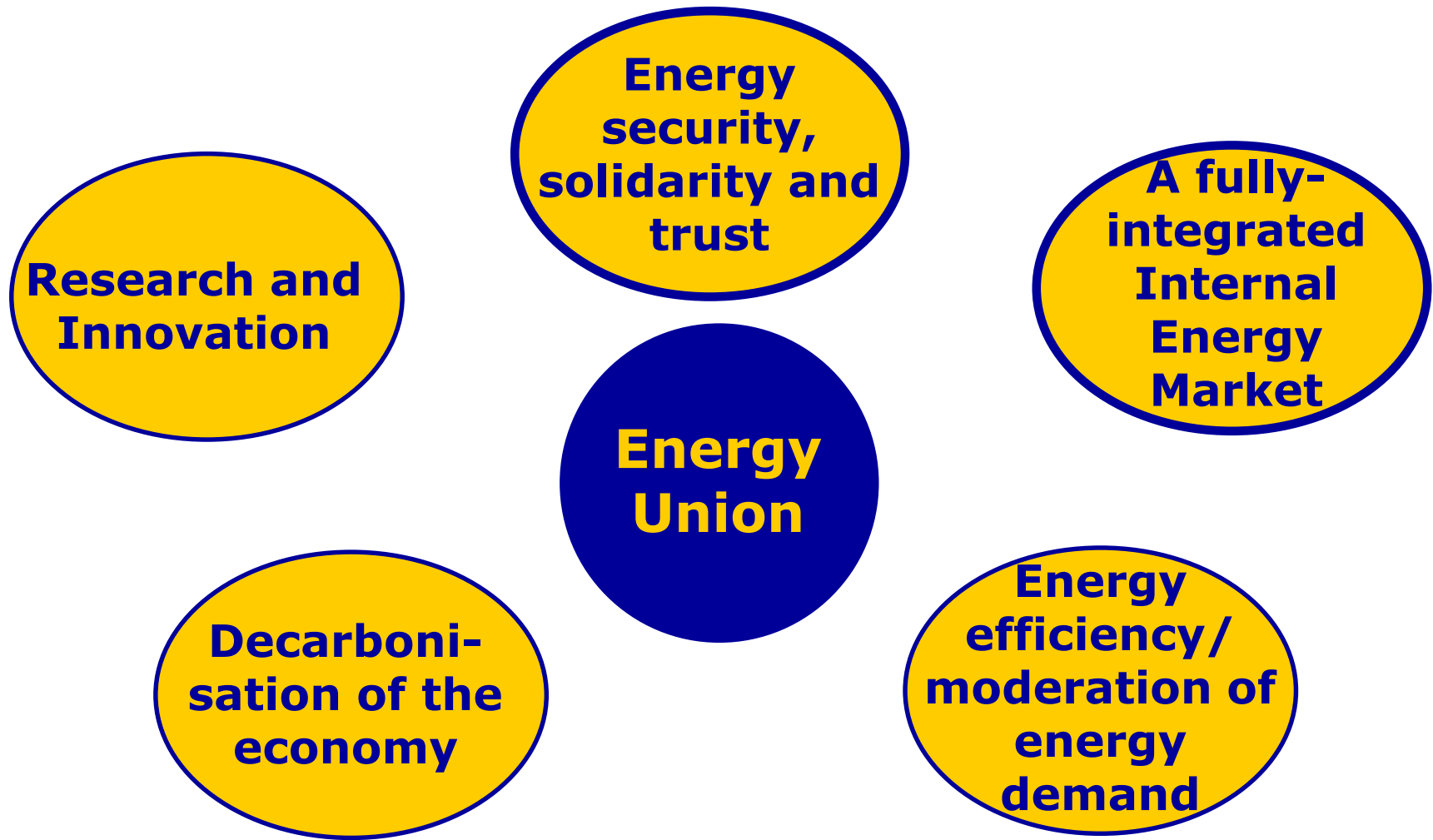
 Agency for the Cooperation
of Energy Regulators

Future role of ACER within the Energy Union

Alberto Pototschnig, *Director*

**Presentation to the Agency's Board of Appeal
Ljubljana, 1 December 2015**

The European Energy Union



The Energy Union Communication

**“A framework strategy
for a resilient energy
union with a forward-
looking climate change
policy”**

Brussels, 25.2.2015
COM(2015) 80 final

- ❖ *Functioning of ACER and ENTSOs will be strengthened
....*
- ❖ *ACER currently acts primarily through
recommendations and opinions. **It has very limited
decision-making rights.....***
- ❖ *EU-wide regulation of the single market should be
strengthened, through **a significant reinforcement
of the powers and independence of ACER to
carry out regulatory functions at the European
level** in order to enable it to effectively oversee the
development of the internal energy market and the
related market rules as well as to deal with all cross-
border issues*
- ❖ *Examples: decisions relating to new infrastructure
affecting more than 2 Member States, on exemptions
from physical reverse flows in line with the Security
of Gas Supply Regulation, cross-border cost
allocations under the TEN-E Regulation or similar.....*

The new Energy Market Design

Communication
from the
Commission
launching the public
consultation process
on a new energy
market design

Brussels, 15.7.2015
COM(2015) 340 final

- ❖ *Enhanced role for ACER to oversee functioning of the integrated markets and cross border infrastructure*
- ❖ *In line with the increased cooperation of system operators, **the powers and independence of ACER may need to be reinforced so that it is able to carry out regulatory functions at European level where needed. ACER could then arbitrate in regional and EU level disputes...***
- ❖ *Could include power **to adopt directly applicable and binding decisions on EU-level initiatives and cross-border issues** and introduction of **enforcement powers** to ensure compliance with such decisions....*
- ❖ *Review of roles of ENTSO-E and ACER gives opportunity to assess the process for the network codes*
- ❖ *May also require integrating entities not subject to regulatory oversight, such as power exchanges*
- ❖ *The increasing link between retail and wholesale markets will have to be reflected in the regulatory framework...*



Internal energy market cross-border issues addressed on the basis of an effective, coordinated regulatory approach



Improve effectiveness & efficiency of regulatory framework and of the decision-making process



Empower the Agency to take decisions directly, otherwise assigned to "all NRAs" - for the approval of other EU-wide subsidiary instruments, of similar regulatory nature, including those required by other Guidelines

A new challenge in NRA Cooperation: the CACM Guideline

Approval by all 28 NRAs (or by ACER after 6 months)

- (a) the plan on joint performance of Market Coupling Operator function**
- (b) the capacity calculation regions**
- (c) the generation and load data provision methodology**
- (d) the common grid model methodology**
- (e) a harmonised capacity calculation methodology**
- (f) back-up methodology**
- (g) the algorithm submitted by NEMOs, including the TSOs' and NEMOs' sets of requirements for algorithm development**
- (h) products that can be taken into account by NEMOs in the single day-ahead and intraday coupling process**
- (i) the maximum and minimum prices**
- (j) the intraday capacity pricing methodology**
- (k) the intraday cross-zonal gate opening and intraday cross-zonal gate closure times**
- (l) the day-ahead firmness deadline**
- (m) the congestion income distribution methodology**

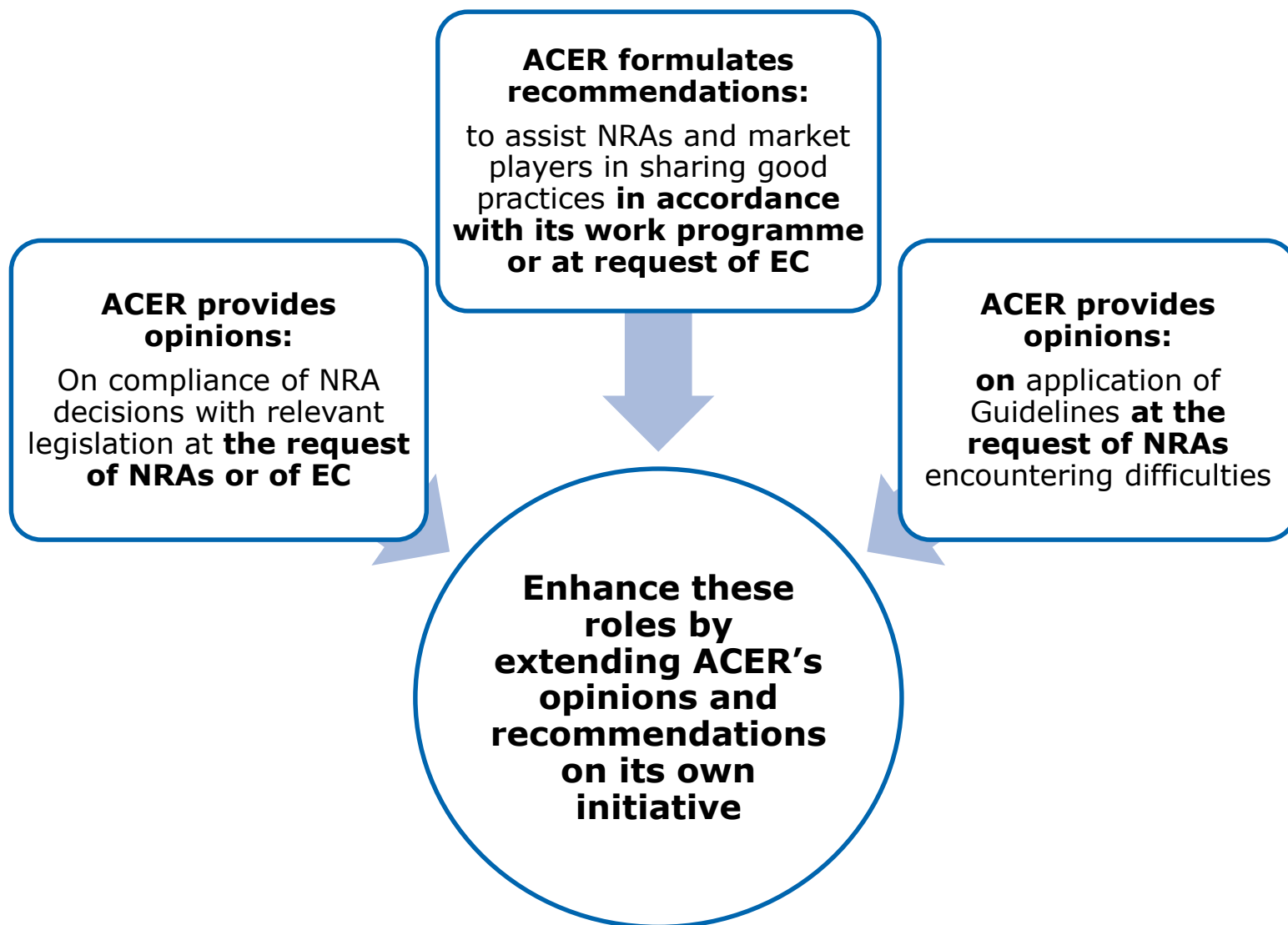
A new challenge in NRA Cooperation: the CACM Guideline

Approval by all 28 NRAs (or by ACER after 6 months)

Approval by the regional NRAs (or by ACER after 6 m)

- (a) the common capacity calculation methodology**
- (b) decisions on the introduction and postponement of flow-based calculation and on exemptions**
- (c) the methodology for coordinated redispatching and countertrading**
- (d) the common methodologies for the calculation of scheduled exchanges**
- (e) the fallback procedures**
- (f) complementary regional auctions**
- (g) the conditions for the provision of explicit allocation**
- (h) the redispatching or countertrading cost sharing methodology**

ACER decides in accordance with art. 8(1) of Reg. 713/2009



ENTSOs role strengthened to act in the interest of the Union; subject to rules efficiently overcoming potential disagreements; effective regulatory oversight

Also

Regional Security Coordinators (RSCs) key part of the future power market; a roadmap for the geographic scope of RSCs to be extended; the role of RSCs enhanced and clearer

<p>ACER power to issue binding decisions and sanctions for non-compliance with its decisions and ENTSOs tasks</p>	<p>ENTSOs power to request necessary assistance from TSOs (e.g. info)</p>	<p>ENTSOs subject to clear general decision-making rules</p>	<p>ENTSOs to operate in the Union's interest distinct from interests of TSOs</p>	<p>Stronger ENTSOs statutory & financial independence from member TSOs, direct funding</p>
---	---	--	--	--

Governance of power exchanges is important
NEMOs must cooperate within a formal framework;
under regulatory oversight; take coordinated decisions
according to transparent rules.

Require NEMOs to establish **a common body** to cooperate

Establish clear general rules for the NEMOs' **coordinated decision making** and their implementation

Effective regulatory oversight of the common NEMO body and ACER power to issue binding decisions, and impose sanctions for non-compliance with ACER decisions or, with NEMO tasks

ACER

Agency for the Cooperation
of Energy Regulators

Thank you for your attention

www.acer.europa.eu