

The logo for ACER (Agency for the Cooperation of Energy Regulators) features the acronym 'ACER' in a large, blue, serif font.

Agency for the Cooperation  
of Energy Regulators



# ACER Tasks and Challenges

*Alberto Pototschnig*

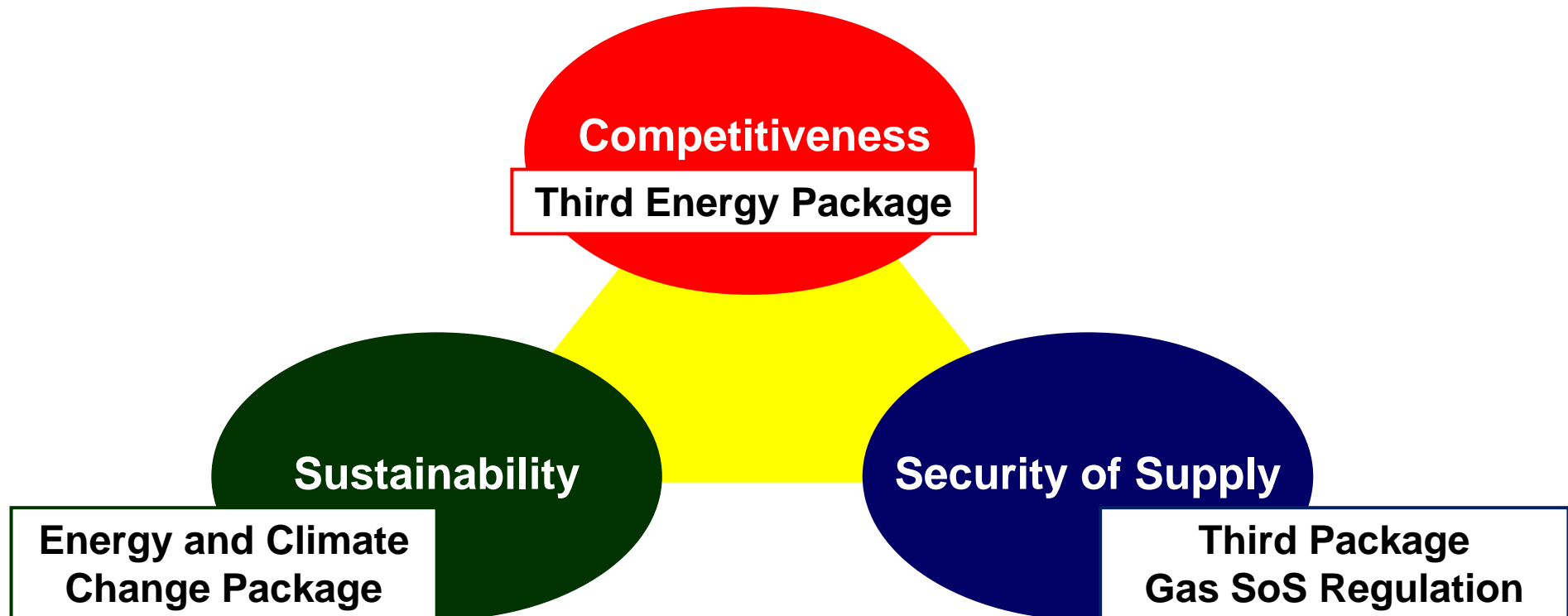
Director, ACER

2011 EICom Forum

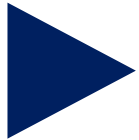
Switzerland's role  
in the European electricity market

Fribourg, 18 November 2011

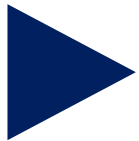
- EU Energy Policy Objectives



- Conclusion of European Council  
4 February 2011



**The internal [energy] market should be completed by 2014 so as to allow gas and electricity to flow freely**



**No EU Member State should remain isolated from the European gas and electricity networks after 2015**

# ● Towards the Single Energy Market

## First Package “Harmonisation”

Dir 96/92/EC

Dir 98/30/EC

1996 1998

## Second Package “Harmonisation and Market Integration”

Dir 2003/54/EC  
Reg 1228/2003

Dir 2005/55/EC  
Reg 1775/2005

2003 2005

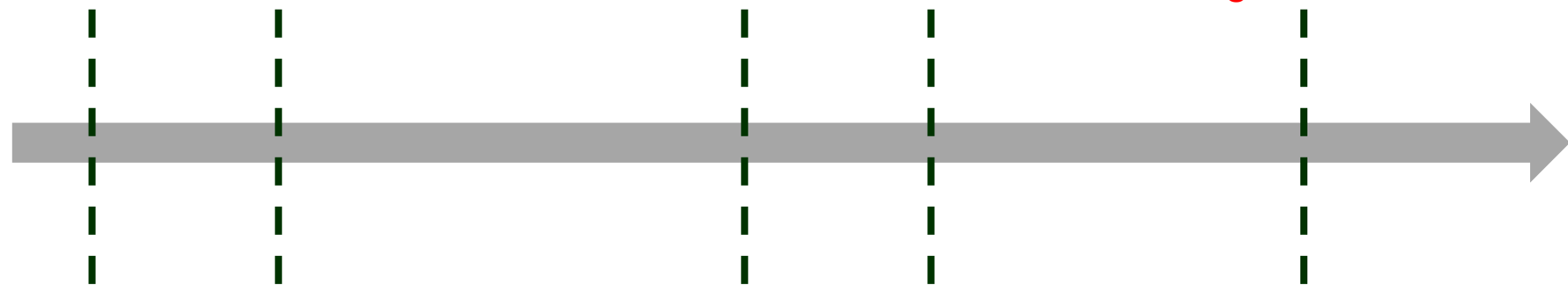
## Third Package “EU-wide Institutional & Regul. Framework”

Dir 2009/72/EC  
Reg 714/2009

Dir 2009/73/EC  
Reg 715/2009

Reg 713/2009

2009



- Lessons from the Implementation of the Second Energy Package
  - Vertical integration and horizontal concentration
  - Insufficient EU-wide market integration
    - Lack of TSO Cooperation
    - Regulatory gap
  - Insufficient transparency
  - NRA powers and competences vary

- The Third Energy Package at a Glance
  - EU-wide Network Development Plans (non-binding)
  - EU-wide binding rules (Network Codes)
  - Greater separation of Transmission and System Operation activities
  - Stronger and more independent NRAs (with greater EU focus)
  - EU-wide cooperation: ACER and ENTSOs

- ACER Mission  
(Regulation (EC) No 713/2009)

*“The purpose of the Agency shall be to **assist** the [NRAs] in exercising, at Community level, the regulatory tasks performed in the Member States and, where necessary, to **coordinate** their action”.*

Article 1(2)

Therefore, ACER

- is NOT a European Energy Regulator
- ... but plays a CENTRAL ROLE in the new institutional framework introduced by the 3<sup>rd</sup> Legislative Package on Energy

- ACER in the 3<sup>rd</sup> Package Framework





- Participation of Third Countries in ACER  
(Article 31, Regulation (EC) No 713/2009)
- **ACER shall be open to the participation of third countries**
  - » which have concluded **agreements** with the Community
  - » whereby they **have adopted and are applying Community law** in the field of energy and, if relevant, in the fields of environment and competition
- Under the relevant provisions of those agreements, arrangements shall be made specifying, in particular:
  - » the nature, scope and procedural aspects of the involvement of those countries in the work of ACER
  - » including provisions relating to financial contributions and to staff

## ● ACER – Relevant EU Legislation

### **ACER**

#### **Third Energy Package**

**Directives 2009/72/EC and 2009/73/EC and  
Regulations (EC) Nos 713/2009, 714/2009 and 715/2009**

#### **Regulation (EU) No 838/2010**

**(on the Inter-TSO Compensation Mechanism)**

#### **Regulation on Wholesale Energy Market Integrity and Transparency (REMIT)**

**(adopted by the European Council on 10 October 2011)**

#### **Proposed Regulation on guidelines for trans-European energy infrastructure**

**(tabled by the European Commission on 19 October 2011)**

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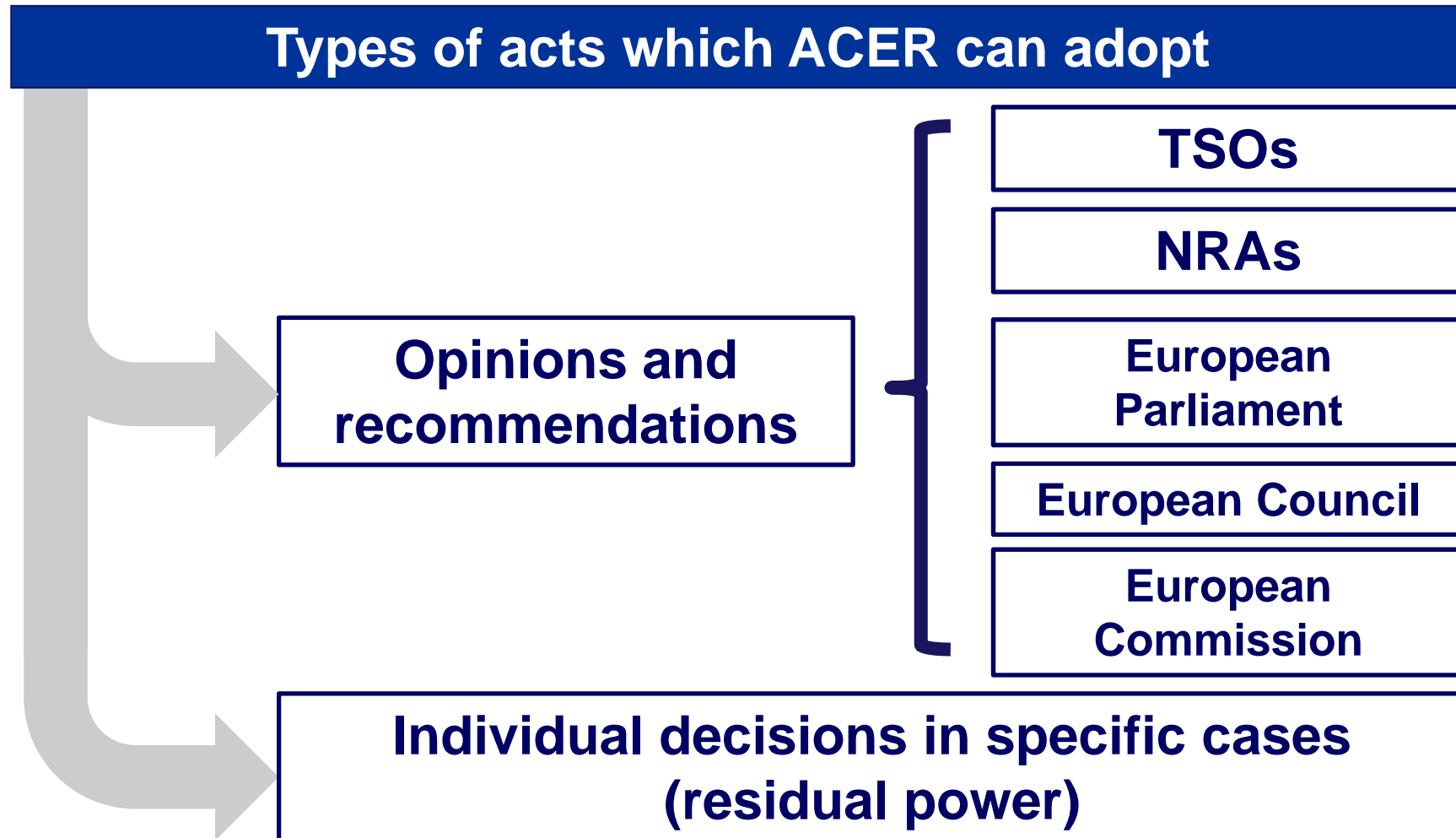
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- ACER's Activities under the 3<sup>rd</sup> Package (1)



## ● ACER's Activities under the 3<sup>rd</sup> Package (2)

### ACER



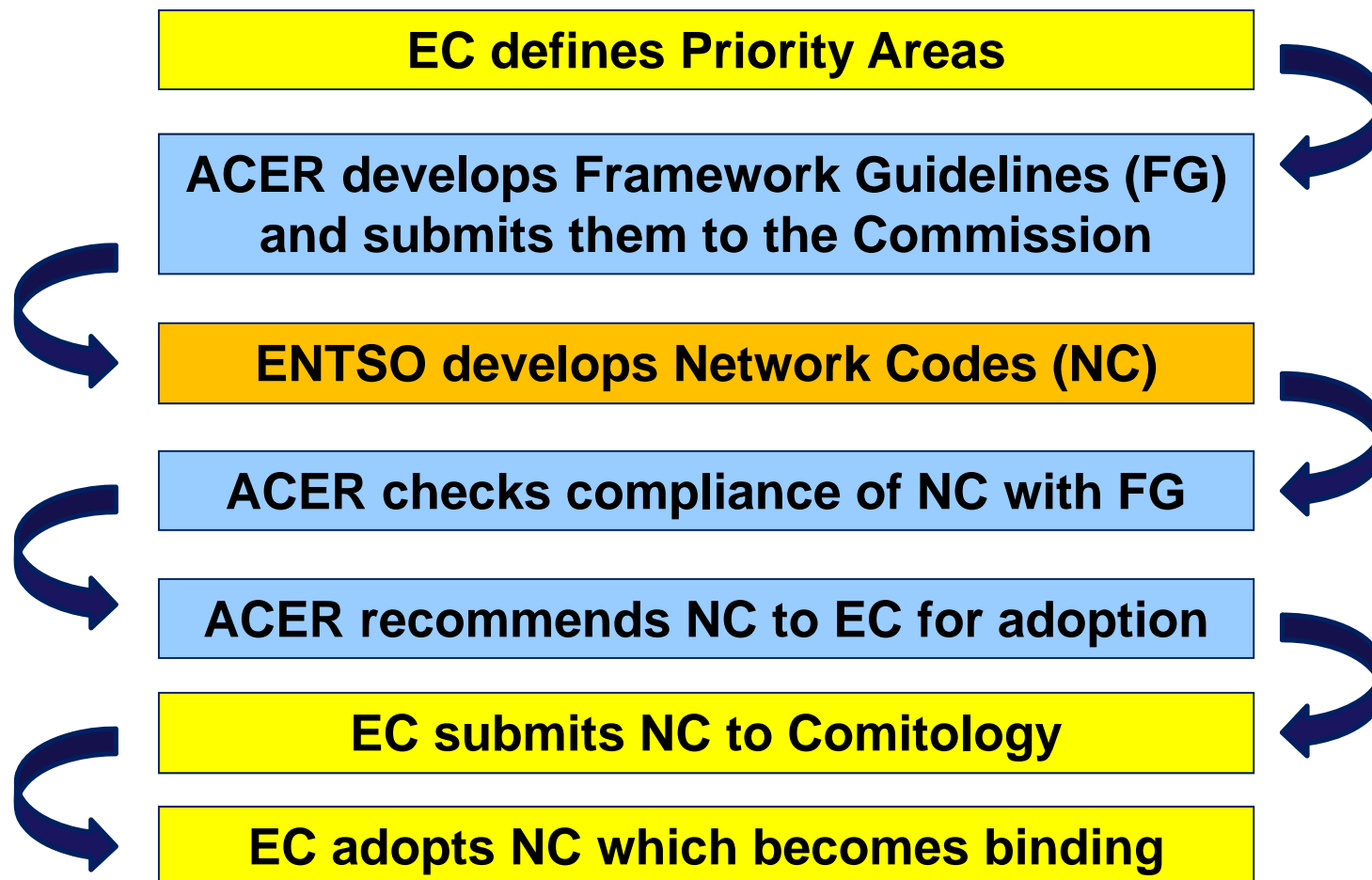
**Opinions on the 10-Year EU-wide Network Development Plans**

**Framework Guidelines for Network Codes**

**NRA Support and Coordination**  
Decisions on Terms and Conditions for Access to/Operational Security of Cross-border Infrastructure  
Decisions on Exemptions  
Regional Coordination

**Market Monitoring**  
Access (incl. RES), Retail Prices and Consumers' Rights  
Wholesale Trading (REMIT)

- Developing Framework Guidelines and Network Codes



# ● Framework Guidelines and Network Codes

## Framework Guidelines

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- (a) network security and reliability rules
- (b) network connection rules
- (c) third-party access rules
- (d) data exchange and settlement rules
- (e) interoperability rules
- (f) operational procedures in an emergency
- (g) capacity-allocation and congestion-management rules
- (h) rules for trading related to technical and operational provision of network access services and system balancing
- (i) transparency rules
- (j) balancing rules
- (k) rules regarding harmonised transmission tariff structures
- (l) energy efficiency regarding electricity networks.

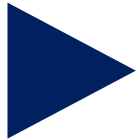
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## ● ACER Support to NRAs





- ACER Individual Decisions  
for cross-border infrastructure



**Decisions on Terms and Conditions for  
Access to and Operational Security of  
Cross-border Infrastructure**



**Decisions on TPA/Unbundling Exemptions**

**ACER decides if:**

- The concerned NRAs fail to reach an agreement, or
- Jointly requested by the concerned NRAs

# ● ACER Work Programme for 2011

- Opinion on ENTSO Statutes, List of Members and Rules of Procedures
- Opinion on ENTSO Work Programme
- Opinion on ENTSO TYNDP
- Framework Guidelines
  - Electricity
    - Capacity allocation and congestion management
    - Grid connection
    - System Operation
    - Balancing
  - Gas
    - Capacity allocation mechanisms
    - Balancing rules
    - Harmonised transmission tariff structures (\*)
    - Interoperability
- ITC Compensation
- Monitoring of the Internal Market

# Recent activities: Electricity Sector

2011

March    April    May    June    July    August    Sept.    October

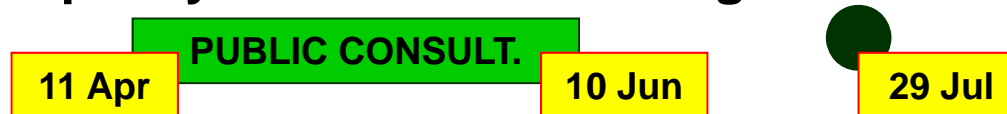
## FG on Grid Connections



## Opinion on ENTSO-E Statutes, List of Members and Rules of Procedure



## FG on Capacity Allocation and Congestion Management in Electricity



## FG on System Operations



## FG on Balancing



# Recent activities: Gas Sector

2011

March    April    May    June    July    August    Sept.    October

## FG on Capacity Allocation Mechanisms for the European Gas Transmission Network



## Opinion on ENTSO-G Statutes, List of Members and Rules of Procedure



## FG on Gas Balancing in Transmission Systems



## Opinion on ENTSO-G EU-wide Ten-Year Development Plan



## FG on Interoperability Rules



## FG on Rules regarding Harmonised Transmission Tariff Structures



# ● Framework Guidelines planned for 2012

according to ACER's Work Programme

- Electricity
  - Third Party Access
- Gas
  - Data Exchange and Settlement Rules
  - Rules for Trading

- Achieving the Internal Electricity Market by 2014 will only be possible by proceeding in parallel

**Formal Framework Guidelines / Network Codes process**

**FG/NC on Electricity Grid Connection**

**FG/NC Capacity Allocation and Congestion Management**

**FG/NC on System Operation**

**FG/NC on Electricity Balancing**

**FG/NC on Third Party Access**

**Voluntary Coordinated Implementation of the Target Model**

**Agency Electricity Stakeholders Advisory Group (AESAG)**

**Regional and Cross-Regional Roadmaps**

**Capacity calculation**

**Long term capacity allocation**

**Day-ahead capacity allocation**

**Intra-day capacity allocation**



# Towards the Internal Electricity Market

## The Integration of the Day-Ahead Market

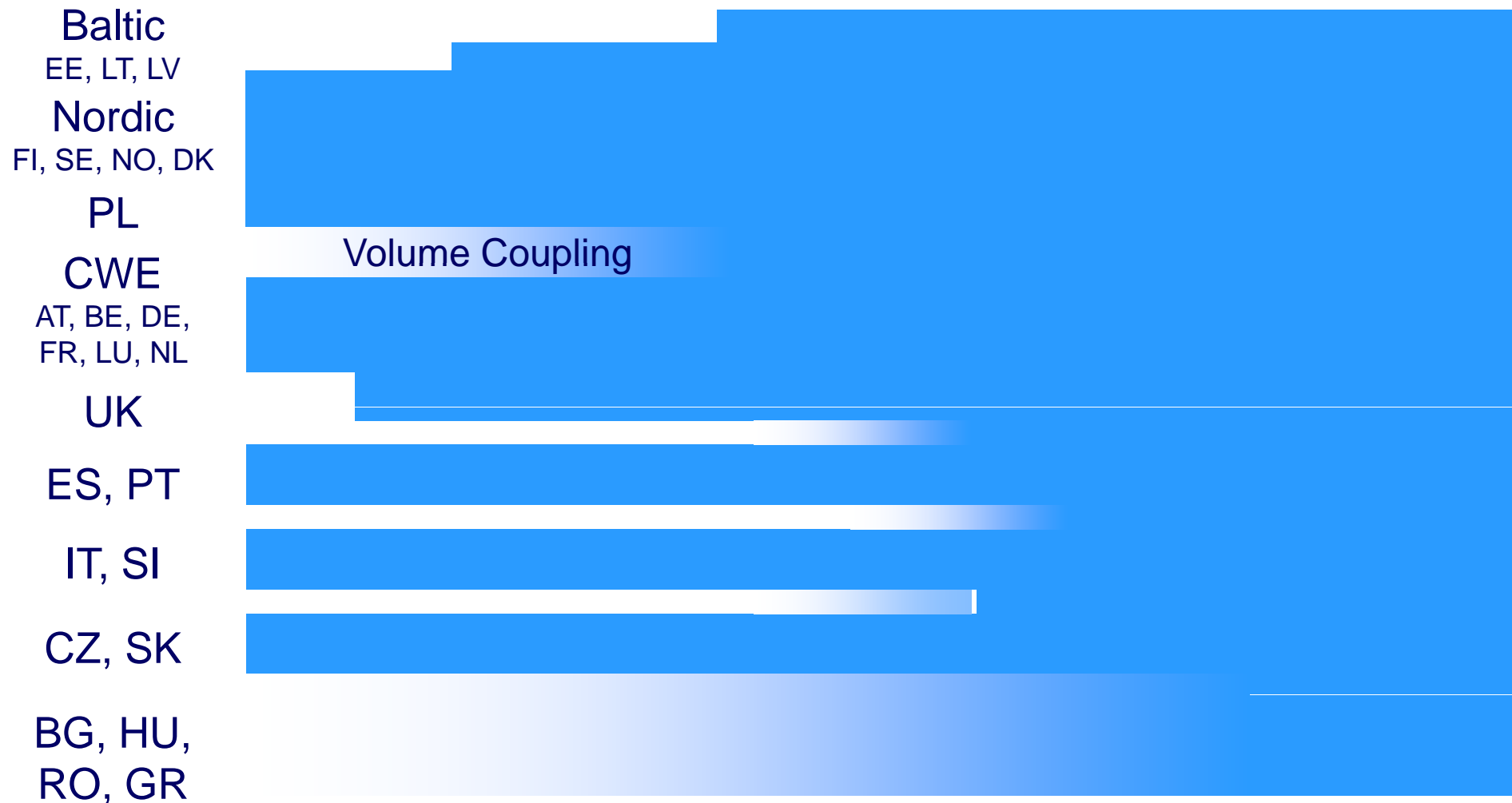
2011

2012

2013

2014

2015



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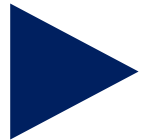
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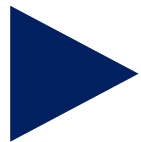
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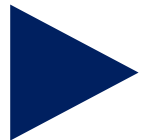
## ● REMIT: a new challenge



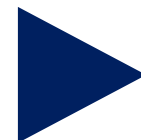
**Sector-specific, comprehensive monitoring framework for wholesale energy markets to detect and deter market abuse**



**To promote confidence of consumers and other market participants in the integrity of electricity and gas markets**



**ACER “is best placed to carry out such monitoring as it has both a Union-wide view of electricity and gas markets, and the necessary expertise in the operation of electricity and gas markets and systems in the Union” (recital 17)**



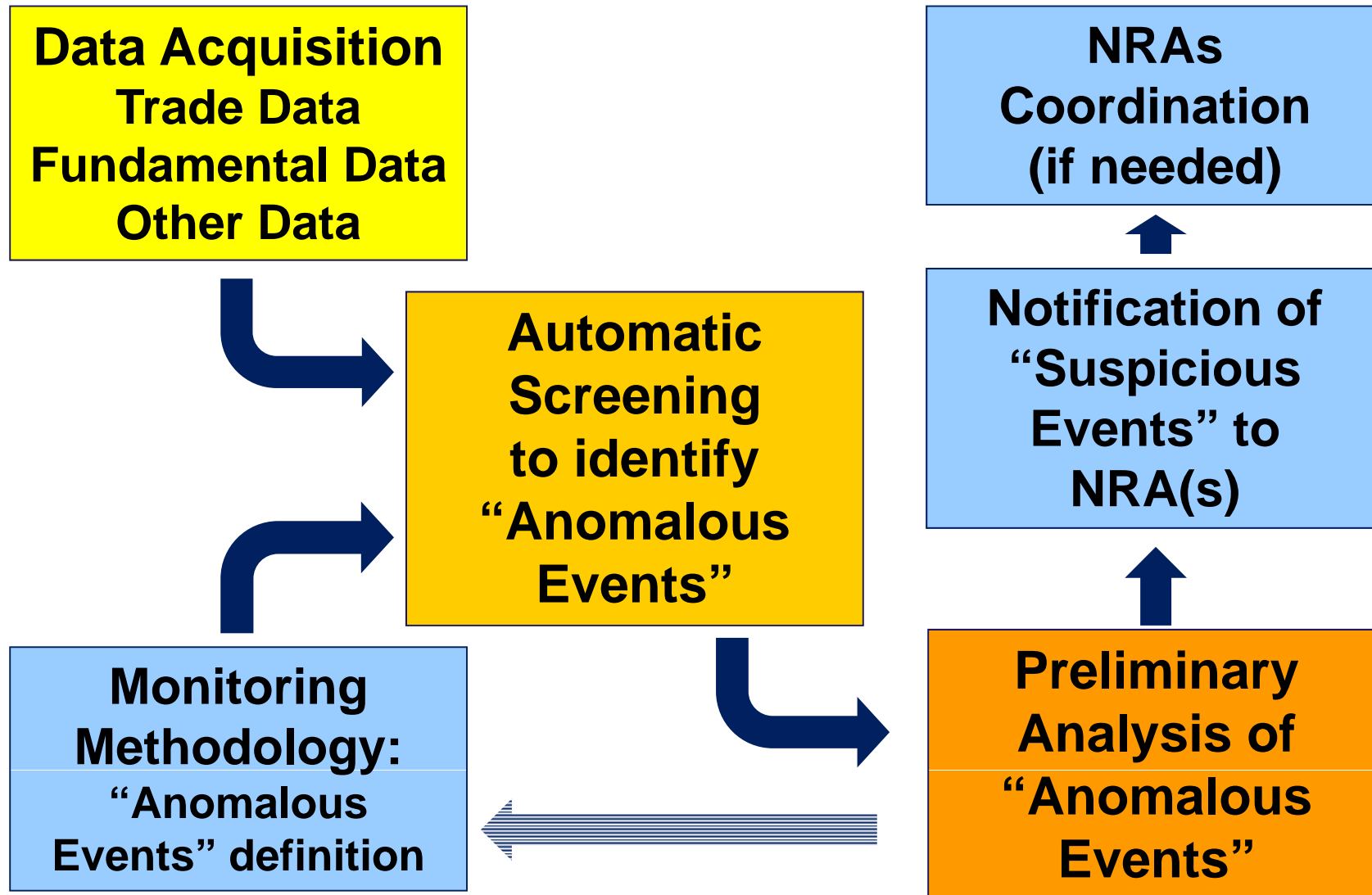
**Close cooperation and coordination between ACER and NRAs**

- REMIT at a Glance
  - Registration of Wholesale Energy Markets (WEM): participants with NRAs
  - Rules prohibiting abusive practices affecting WEM:
    - » Trading based on inside information (obligation to publish inside information)
    - » Market manipulation – actual or attempted
  - Definition of inside information, market manipulation and attempt to manipulate markets (updated by the Commission through “Delegated Acts”)
  - Monitoring of WEM by ACER in cooperation with NRAs
  - Power of Investigations rests with NRAs
  - Enforcement of Prohibitions by NRAs

# ● Scope of ACER Market Monitoring under REMIT

- Wholesale Energy Products:
  - » contracts for the supply of natural gas or electricity with delivery in the EU
  - » derivatives relating to natural gas or electricity produced, traded or delivered in the EU
  - » contracts relating to the transportation of natural gas or electricity in the EU
  - » derivatives relating to the transportation of natural gas or electricity in the EU
- Contracts for the supply and distribution of natural gas or electricity to and for the use of final customers consuming <600GWh/year are **not** wholesale energy products

● ACER Approach to Market Monitoring



Thank you for  
your attention

[www.acer.europa.eu](http://www.acer.europa.eu)