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**CEER**

**Council of European  
Energy Regulators**



Fostering energy markets, empowering **consumers**.

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## **CEER 2017 Work Programme**

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## 1. Foreword

The Council of European Energy Regulators (CEER) is the only independent voice of energy regulators in Europe. It allows Europe's independent energy regulators to work collectively to play a major role in developing and delivering the Internal Energy Market in a way which complements their significant contributions to the work of the Agency of the Cooperation of Energy Regulators (ACER). CEER has consumer interests at the heart of its work on regulatory policy and this is a core feature of its work in support of the European institutions.

Major changes are underway in the energy market and are driven by greater penetration of renewable generation and the introduction of smart technologies, particularly at distribution network level and in customers' homes. These changes are making a profound impact on the way customers interact with the energy market. The European Commission has brought forward proposals for new legislation in the "Clean Energy for All Europeans" proposals with the aim of seeking to address the structural obstacles to the further development of the market in response to these changes and to ensure that levels of customer protection remain high. CEER will work to support necessary improvements to the regulatory framework and regulatory practices and will seek to ensure that the interests of consumers are at the centre of the revised arrangements. As a priority, we shall work to ensure that consumers are properly protected and empowered to be well placed to adapt to these developments. Whilst our Work programme for 2017 anticipates, as far as is possible, the "Clean Energy for All Europeans" proposals it may be that we will have to adapt our work during the year in response to developments.

Our Annual Customer Conference will have a particularly important role in 2017 as it is an important opportunity for the voice of consumers to be heard clearly at the heart of European policy making. It is essential that the current development of the energy market should focus on the needs of customers and as prosumers.

Regulation has a central role in ensuring that markets are efficient and that consumers are properly empowered and adequately protected, notably during periods of significant change. We shall continue to identify and develop good regulatory practices to help national regulators in this process of continuous improvement, and shall search out examples of good regulatory practices from countries beyond our borders. Where possible, we will encourage regulators in those countries which interact with Europe's energy markets to adopt good regulatory practices principally grounded on the European Union's approach.

This work programme outlines the focus of our work in the coming year in order to give stakeholders a clear idea of the different actions and studies that we shall be undertaking.

A handwritten signature in black ink, appearing to read 'John Egg', written in a cursive style.

CEER President



## 2. Introduction

The Council of European Energy Regulators (CEER) is the voluntary association of Europe's national energy regulatory authorities (NRAs). CEER's principal functions are to foster a sound European regulatory framework and to support the important work of NRAs by developing good practices in energy regulation, sharing experience including through training and workshops.

As part of its work on fostering a sound regulatory framework, CEER will focus on a number of key areas in 2017 which are important to advancing energy markets and improving the effectiveness of their operation to the benefit of consumers. CEER will continue to prioritise work in the areas of:

- Consumers and retail markets;
- New legislative/policy developments;
- The role of Distribution System Operators; and
- International work beyond the borders of the EU

European energy regulators work actively within the working groups of the Agency for the Cooperation of Energy Regulators (ACER), focusing on its statutory tasks relating to the development, implementation and monitoring of the cross-border regulatory framework for the effective operation of the Internal Energy Market (IEM). Whereas ACER's tasks are derived from legislation, CEER is the European energy regulators' tool for addressing issues which are complementary to the legal functions of ACER.

CEER was a major contributor to the ACER Conclusions Paper "[Energy Regulation: A Bridge to 2025](#)" which was published on 23 September 2014. Some of the proposals in that document fall to CEER to implement and the CEER 2017 Work Programme will include work items which relate to these priorities.

CEER will be active in advising the Commission as it considers proposals to further develop the Internal Energy Market and will work to help European NRAs to play their full part in the resulting policies as they emerge. We expect that the CEER Work programme for 2017 will need to be adapted to take account of these expected developments.

CEER will also continue its work on encouraging good regulatory practices through the range of services it provides for NRAs, including by providing training for both member NRAs and non-CEER regulators.

For more information about CEER and our work, please visit our website [www.ceer.eu](http://www.ceer.eu)



### **3. Our priorities in 2017**

CEER will continue to concentrate on enhancing the capability of European National Regulatory Authorities (NRAs) to fulfil effectively their individual responsibilities for achieving a competitive, sustainable and secure energy market in Europe. CEER will also continue to engage fully with policy makers to help in the development of a sound and sustainable single European energy market. CEER will continue to enhance collaboration between member NRAs to share experiences and to identify good regulatory practices.

CEER's priorities for 2017 will continue to emphasise the increasingly active involvement of customers in the development of energy markets. We will continue to encourage retail market competition and to foster appropriate levels of consumer protection in an evolving European market. In this context, CEER will continue to enhance its dialogue and collaboration with the mandated authorities responsible for supporting (and protecting) energy consumer rights (such as ombudsmen, data privacy authorities and consumer protection authorities). CEER will continue to develop its new initiative, Partnership for the Enforcement of Energy Rights (PEER), which envisages a (light) cross-sectoral and cross-authority form of cooperation at European level to facilitate the exchange of information and reinforce collaboration. PEER will be a practical example to help implementing the CEER-BEUC 2020 Vision for Energy Consumers.

CEER will continue to examine the changing role of DSOs and how the regulatory framework should evolve to keep pace with those changes. We will continue to monitor developments in cyber security.

We will also continue to develop our international relations with regulators across Europe and globally to exchange experiences and to respond to the growing interaction between the European internal energy market and its neighbouring markets. CEER will continue to engage in international collaboration with NRAs and important energy stakeholders outside of the EU. In this regard, CEER will further develop its capability to provide capacity building assistance relating to good regulatory practices.

#### **3.1 Consumers and retail markets**

Consumers and retail markets will continue to be a priority in 2017. Importantly, we are enhancing our commitment to markets and consumer rights with a focus on delivering the benefits of competition and a fully functioning Internal Energy Market to all consumers.

CEER will continue to pursue the priorities relating to consumers set out in the Bridge to 2025 conclusions documents.

CEER will continue its work to enhance the monitoring of consumer energy markets. We will continue to co-operate with ACER on the production of the annual Market Monitoring Report. We will also build on the preparation this year of a Handbook of harmonised definitions of retail market metrics by facilitating NRAs' assessment of their national, and possibly regional, markets.

We are also committed to continuing our efforts to enable consumers to engage more effectively in energy regulation issues as well as in relation to enhancing their engagement in energy markets. This customer focus will continue in 2017 and will develop further as our consumer vision is enhanced and implemented.

#### **3.2 New legislative/policy developments**

Through CEER, European energy regulators are committed to serving as valued partners for the European Institutions in their shaping of energy policy and legislative proposals. CEER will continue to interact with, and input to, the European Commission, in particular concerning



initiatives which impact energy markets, such as the Winter Package. We also remain committed to working with and advising the European Commission on regulatory aspects in a range of areas, including wholesale and retail markets, smart grids and consumer rights.

### **3.3 The role of Distribution System Operators**

Examining the changing role of DSOs in anticipation of current retail and wholesale market developments will continue to be a priority for 2017. The underlying purpose of this work is to create a regulatory toolbox which could be used to define the DSOs' role as facilitators of the market in areas which are not within the core of regulated monopoly DSO activities.

During 2017, CEER will examine important areas which contribute to the toolbox, including regulatory good practices relating to network tariff setting, incentive schemes, and flexibility use at electricity distribution level. CEER will also examine the impact on regulation of emerging services (such as aggregators) that may impact on the role of DSOs. This work will complement the proposals in the Winter Package.

### **3.4 International work beyond the borders of the EU**

Developments beyond the borders of the European Union can significantly affect the operation of its energy markets now or in the future. The enlargement of the Union requires substantial preparation in Accession States. It is important that the energy (legislation) *acquis* is fully understood and good regulatory practices are in place if a smooth transition is to be assured. CEERs international work in 2017 will focus on:

- Pro-actively engage in EU international policies and extending the *Acquis*;
- Promoting and supporting energy security;
- Access and exchange of expertise on good regulatory practices and market solutions; and
- Monitoring and engaging in developments that could impact on EU NRAs.

CEER will continue the commitment to dialogue with international partners, particularly near neighbours, and support to the European Commission and the external priorities outlined in the Energy Union.

### **3.5 Other work areas**

CEER will complement the work of ACER in the development and implementation of the European regulatory framework in both gas and electricity.

In 2017, CEER will analyse a number of existing scenarios relating to the future development of the European market for natural gas and will consider the implications of each scenario for the regulation of European gas markets. CEER will also undertake important work in the areas of gas security of supply, LNG and gas storage.

CEER will prepare good practice guidelines relating to the use of auctions for the allocation of support to renewable energy sources (RES). As part of our work relating to the integration of RES, we will also examine how obstacles can be removed to the development of cross-border co-operation mechanisms.

CEER will continue to undertake important monitoring work across a range of areas.



#### 4. CEER Work Programme 2017

No.	Sector	Title	Description	Type of work item	Timeline*				
					Start	End	PC	PH	WS
1	Consumers and retail markets	<b>Guidelines of Good Practice on Comparison Tools in the new Energy Market Design</b>	In 2012, CEER published its Guidelines of Good Practice (GGP) on Price Comparison Tools (PCTs). CEER aims to ensure that the GGPs are up to date and address issues that consumers experience when using PCTs.	Deliverable	On-going	Q2 2017		Q1 2017	
2	Consumers and retail markets	<b>Guidelines of Good Practice on Removing Barriers to Entry for Energy Suppliers in EU Retail Energy Markets</b>	The envisaged Guidelines of Good Practice will make recommendations to remove identified barriers based on existing practices in some Member States.	Deliverable	On-going	Q2 2017		Q2 2017	
3	Consumers and retail markets	<b>Follow up on the Position Paper on well-functioning retail energy markets and the Handbook of harmonised definitions of metrics</b>	In 2017, CEER will guide NRAs through the process of self-assessment according to the metrics identified in the Position Paper on Well-functioning Retail Energy Markets and defined in the Handbook. Following the self-assessment, NRAs will identify the challenges in their respective countries and how to improve their situation. The self-assessments may have a regional focus to examine the scope of the potential for retail market integration at regional level (e.g. NordREG). This work may include organising training(s) for NRAs. CEER will also continue working on a draft Roadmap towards well-functioning retail markets.	Deliverable Bridge related	On-going	2018			Q2 2017



4	Consumers and retail markets	<b>Consumer protection and empowerment volume of the 2016 ACER/CEER Market Monitoring Report</b>	This chapter of the ACER-CEER Market Monitoring Report (MMR) looks into the functioning of retail energy markets from the customer perspective. It is based on the results of monitoring the retail energy markets on topics such as complaint handling, switching and billing processes, customer information and protection of vulnerable customers. The aim is to identify market distortions through monitoring of the processes and outcomes of the retail energy market. CEER will aim at including metrics as described in the 2015 Position Paper on Well-functioning Retail Energy Markets and the Handbook of harmonised definitions of retail market metrics being developed in 2016.	Deliverable Bridge related	Q4 2016	Q4 2017			
5	Consumers and retail markets	<b>CEER Good Practice Sharing on Customer Driven Smart Technology Development</b>	CEER aims to map and share how smart technology development can be customer driven. This study will build on the new market design presented in the Winter Package and start with a high-level description of the ambitions and current status of smart technology in Europe, including the roll out of smart meters, data management models, smart homes, self-generation and storage. Opportunities and challenges provided by smart technology will be identified. NRAs as well as external stakeholders will be invited to contribute with cases. These will be constructive and show examples on how to capture the value of smart technology as well as how to handle associated risks and challenges. All cases should be based on a customer centric perspective, starting with an understanding of customers' needs (monetary, ease of use, privacy, and other identified needs) and how to meet these. Differences between national markets and customer segments will be taken into consideration. Special attention will be given to address both home owners and tenants.	Deliverable Bridge related	Q1 2017	Q4 2017			Q3 2017
6	Consumers and retail markets	<b>Guidelines of Good Practice on Implementation of the new Retail Energy Market Design</b>	Follow up on the European Commission's Winter Package and an extension of the CEER Guidelines of Good Practice on retail market design to new market players (e.g. data hubs, aggregators etc.), new technologies (smart metering and smart homes), and new roles for the customer (flexibility, self-generation and self-storage). Customer needs will be the starting point of this update aiming to provide a set of future proof key features of retail market design. CEER will maintain its focus on customer information and an improved switching process along with new focus areas such as dynamic pricing, flexibility and self-generation. Furthermore, the smart meter roll out, billing on actual consumption and metering transparency regarding self-generated vs. energy supplied through the network will be considered.	Deliverable Bridge related	Q4 2017	2018	2018		2018





			Recommended solutions will be cost-effective and build on voluntary customer market participation. Differences between regions and national markets as well as customer segments will be taken into consideration. Special attention will be given to vulnerable consumers and segments that are unlikely to benefit from, for example, price fluctuations and price signals.						
7	Electricity	<b>Guidelines of Good Practices on RES Auctions Design</b>	Auctions are increasingly signalled as the preferred method to allocate support to RES producers as opposed to traditional administrative methods. A tool kit of recommendations and good practices could be compiled as a guide for regulators exploring or seeking to improve this technique.	Deliverable	Q1 2017	Q4 2017			
8	Electricity	<b>Proposals to overcome difficulties in the implementation of co-operation mechanisms (joint projects / support schemes)</b>	Co-operation mechanisms, and especially joint projects or support mechanisms shared by various MSs, have developed slowly and there are limited experiences. CEER will explore incentives and proposals that could be devised to develop such mechanisms. A focus could be put on the design of cross border auctions.	Deliverable	Q1 2017	Q3 2017			
9	Gas	<b>Status Review on application of the Supply Standard foreseen in the Security of Supply Regulation</b>	As a follow-up to CEER Position Paper on the Security of Supply (SoS) Regulation and the requirements in the Regulation regarding the supply standard, CEER will undertake a status review of the application of this standard at national level, to identify current approaches and areas for exchange of experience.	Deliverable Bridge related	Q2 2017	Q4 2017			Q4 2017



10	Gas	<b>Status Review on the Development of Europe's Gas Storage Market</b>	Building on previous work in this area (2015 Vision on Regulatory Arrangements for gas storage; GSE-CEER Transparency Template; 2011 Guidelines of Good Practice etc.), and depending on the conclusions of the ongoing report on barriers to storage product innovation, CEER will review current status of the market and make any necessary public recommendations for further optimisation. This may include recent developments and changes to the legislative landscape, including consideration of the revision of the SoS Gas Regulation.	Deliverable Bridge related	Q2 2017	Q4 2017			Q3 2017
11	Gas	<b>Report on Removing Barriers to LNG in European Gas Markets</b>	This report will provide a comprehensive review of key regulatory mechanisms and rules (including capacity allocation and congestion management, balancing and gas transactions, international LNG developments and market evolution), with a view to identifying persisting barriers and developing recommendations on their removal.	Deliverable Bridge related	Q4 2016	Q4 2017			
12	Gas	<b>Report on the Future of Natural Gas</b>	This report will offer a strategic look at the future of natural gas following recent developments, such as the COP 21 agreement, oil price trends, LNG and shale market developments, and will develop a number of scenarios that may result. In particular, it will consider the consequences of each scenario for the regulation of European gas markets.	Deliverable Bridge related	Q1 2017	2018			Q2 2017
13	Cross-sectoral	<b>Guidelines of Good Practice on Distribution Network Tariffs</b>	CEER's Conclusions Paper on 'The Future Role of DSO's' stated our commitment to analyse the benefits of different approaches to both use of system and the network tariffs and to ensure that network tariffs are not a barrier to demand side response. The importance of network tariffs was also mentioned in ACER's 'Bridge to 2025' document. The purpose of the document is to develop guidelines on how different network tariff structures - decided or incentivised by NRA's - may be used to manage future distribution network challenges such as increased use of self-consumption and integration of RES on local level. This deliverable is part of developing a toolbox for the regulation of DSOs to ensure the market is not foreclosed.	Deliverable Bridge related	Q4 2016	Q1 2017			



14	Cross-sectoral	<b>Guidelines of Good Practice on Incentives Schemes including Innovation - Conclusions paper</b>	The final document will help NRAs to improve regulation, ensuring that distribution network services to consumers are optimal given a rapidly changing environment and that bridges are built between the current and the future role of DSOs. This deliverable is part of developing a toolbox for the regulation of DSOs to ensure the market is not foreclosed. This document will explore best practice for CEER members to regulate network companies in a manner that would encourage them to invest in efficient low-cost capital projects rather than higher cost ones (which may earn them a higher return/profit under more traditional regulatory models), thereby helping to minimise network costs. The deliverable would also address contracting services with third parties, such as flexibility providers, as another option to minimise network costs.	Deliverable Bridge related	On-going	Q1 2017		Q1 2017	Q2 2017
15	Cross-sectoral	<b>Guidelines of Good Practice on Flexibility Use at Distribution Level</b>	Flexibility is a crosscutting issue that needs to be considered with regard to both markets and networks. The purpose of producing these CEER guidelines is to assess flexibility from a distribution network management/development perspective. This will contribute to a comprehensive approach to the flexibility issue. The end goal is to encourage harmonisation of a European wide approach to the use of flexibility by DSOs. The aim of the document is to provide guidelines for NRAs on how to stimulate flexibility use by DSOs when it is most efficient, but with minimal distortion to markets and competition, and in co-ordination with the needs of TSOs (to be confirmed). This deliverable is part of developing a toolbox for the regulation of DSOs to ensure the market is not foreclosed.	Deliverable Bridge related	On-going	Q3 2017	Q1 2017		Q2 2017
16	Cross-sectoral	<b>Report on New Services and Associated Activities for DSOs</b>	The deliverable will look at and consider the impact on regulation of emerging services and associated activities that may impact the role of DSOs. This deliverable is part of developing a toolbox for the regulation of DSOs to ensure the market is not foreclosed.	Deliverable Bridge related	Q2 2017	2018			Q3 2017



17	Cross-sectoral	<b>CEER Benchmarking Report on Power Losses</b>	The report will benchmark the level of network losses in European countries and identify different national practices regarding the definition and calculation of such losses.	Deliverable	On-going	Q2 2017			
18	Cross-sectoral	<b>Report on Investment Conditions 2017</b>	Each year CEER provides an overview of the role of energy regulation in the overall investment environment. The analysis will deliver a general survey about the implemented regulatory regimes, the demanded efficiency developments and analyses the overall determination of capital costs.	Deliverable	Q1 2017	Q4 2017			

\* The timelines displayed here show the forecast plan for 2017 at the time of publication of this document. For updated indications, please refer to the monthly CEER electronic letter.

Start and End refers to when work on the work items are planned to be done.

PC = Public consultation

PH = Public hearing

WS = Workshop



## About CEER

The Council of European Energy Regulators (CEER) is the voice of Europe's national regulators of electricity and gas at EU and international level. CEER's members and observers (from 35 European countries) are the statutory bodies responsible for energy regulation at national level.

One of CEER's key objectives is to facilitate the creation of a single, competitive, efficient and sustainable EU internal energy market that works in the public interest. CEER actively promotes an investment-friendly and harmonised regulatory environment, and consistent application of existing EU legislation. Moreover, CEER champions consumer issues in our belief that a competitive and secure EU single energy market is not a goal in itself, but should deliver benefits for energy consumers.

CEER, based in Brussels, deals with a broad range of energy issues including retail markets and consumers; distribution networks; smart grids; flexibility; sustainability; and international cooperation. European energy regulators are committed to a holistic approach to energy regulation in Europe. Through CEER, NRAs cooperate and develop common position papers, advice and forward-thinking recommendations to improve the electricity and gas markets for the benefit of consumers and businesses.

The work of CEER is structured according to a number of working groups and task forces, composed of staff members of the national energy regulatory authorities, and supported by the CEER Secretariat. This report was prepared by the CEER's Work Programme Drafting Committee.

More information at [www.ceer.eu](http://www.ceer.eu).