



Council of European Energy Regulators (CEER)

Report of the Council of European Energy Regulators for the period 1 January 2004 to 31 December 2004 to all Members of CEER, the European Parliament, the Council of Ministers, and the European Commission.

Council of European Energy Regulators (CEER)

The CEER brings together European energy regulators by promoting co-operation and co-ordination among its Members in the interest of the single energy market.

Its fundamental objective is to facilitate the creation of a single competitive, efficient and sustainable internal market for electricity and gas in Europe.

The CEER is a "not for profit" organization.

CEER has close links with the European Regulators Group for Electricity and Gas (ERGEG), a group which was set up on 11 November 2003 by a European Commission Decision (2003/796/EC) to "give regulatory cooperation and coordination a more formal status in order to facilitate the completion of the internal energy market".

President

Mr Jorge Vasconcelos

Vice-Presidents¹

Mr Jean Syrota

Sir John Mogg

Secretary General

Mrs. Una Shortall

Further information on the CEER, and the public documents referred to in this Annual Report, can be downloaded from the CEER website (www.ceer-eu.org) or obtained from the CEER Secretariat (see contact details below).

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¹ with effect from 10 February 2004

2004 CEER Annual Report

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I. Message from the CEER President



The overall aim of the Council of European Energy Regulators (CEER) is to facilitate the creation of a single, competitive, efficient, and sustainable internal market for gas and electricity. Much progress has been achieved in recent years, but there is still much more to do.

2004 was an eventful year for the CEER with the establishment of a small Secretariat in Brussels, the appointment of two new Vice Presidents (Jean Syrota and Sir John Mogg), a Secretary General (Una Shortall), and a total of eleven new members (including the designated German regulatory authority) joining the CEER, and so to one and all we extend a warm welcome. We also acknowledge the contributions of Pippo Ranci and Callum McCarthy, who stepped down as Vice Presidents of the CEER. We are, however, delighted to have them both as Honorary Members of the CEER.

The CEER also welcomed the initiative of the European Commission, in late 2003, of putting the work of regulators on a more formal footing through the establishment of the European Regulators Group for Gas and Electricity (ERGEG) and thus creating a transparent platform for co-operation between energy regulators and the Commission. These two objectives: co-operation among regulatory authorities, and co-operation with the EU institutions are the CEER's core objectives, and the reason which stimulated its creation in the first instance.

In 2004, the CEER provided significant support, both in terms of expertise and resources to the ERGEG in its first year of operation. Whilst the ERGEG is the formal mechanism for providing advice to the Commission, regulators will continue to work together and provide informal advice to the Commission through the CEER on relevant regulatory policy issues regarding the development of the internal energy market.

The aim is to improve the quality of the regulatory framework at EU level and consequently at a national level. An important development in this regard was the establishment, in 2004, of the Florence School of Regulation. Created by the CEER, the European Commission and the European University Institute, and supported by energy undertakings, it brings together EU decision-makers, regulators, industry managers, academics and other experts to discuss relevant issues related to the internal energy market. It also allows regulators to share experiences and identify best regulatory practices, and provides training as a means of capacity building.

A key progress indicator towards the single market objective this year should have been the transposition of the second directives on gas and electricity (2003/54/EC and 2003/55/EC) in each Member State. Regrettably, this was not the case with as many as eighteen member states failing to do so by the legally required date (1 July 2004). There is a clear gap between the legislative framework and the actual situation. For example, in many countries access to gas storage is not available on a non-discriminatory basis nor is there effective unbundling. Indeed, the European Commission's (4th) benchmarking report on the implementation of the Internal Energy Market makes clear that progress so far has been slow in electricity and disappointing in gas.

It becomes obvious that the legislative framework is a necessary but not a sufficient requisite for a single energy market. It is the CEER's view that the legislative framework must be backed by (a) increased institutional co-operation and (b) the development of an appropriate regulatory framework so as to ensure the consistent application in all member states of the legislative framework. The former requires, for example, better co-ordination by neighbouring Transmission System Operators (TSOs) with regard to new cross border interconnector and congestion management, as well as better interactions between TSOs and Market Operators.

It also extends to closer co-operation by regulatory

authorities and competition authorities at both national and EU level so as to enhance competition. The CEER welcomed the Energy Day organized by DG COMP in September 2004 which already has proven to be a useful catalyst for closer cooperation in ensuring consistent application of competition law and facilitating the development of efficient structures in electricity and gas. This work is set to continue in 2005.

The majority of the CEER's work in 2004 has focused on the development of an appropriate regulatory framework. Whilst this appears to be a noble cause, what does it mean in practice? In essence, it comprises three components. The first is a high level policy view of how the internal market should be realized. The second is the development of clear rules, codes, guidelines and operational handbooks (all of which belong to the regulatory framework) which enable the single market to be integrated. The third is that it also necessitates appropriate monitoring and reporting of compliance with key variables, including voluntary agreements. This report highlights the key activities by CEER across these areas in 2004.

The enlarged membership of CEER this year, and the collaborative work and support to the newly formed ERGEG, has led to huge increases in workloads, both for members and the CEER Secretariat. I should therefore like to take this opportunity to give my sincere thanks to the Vice-Presidents, Chairpersons, Members, and the CEER Secretariat for their enormous contributions, and to the European Commission for their support and to stakeholders for their co-operation.


Jorge Vasconcelos,
CEER President

2. Overview of 2004 and the Year Ahead

President



Mr Jorge Vasconcelos

Vice-Presidents



Mr Jean Syrota



Sir John Mogg

Secretary General



Mrs. Una Shortall

The activities of the CEER during 2004, as described below, reflect the core responsibilities of national regulators: to ensure non-discriminatory access to infrastructure; effective competition and an efficient Internal Energy Market; mechanisms to deal with congestion; market and cross border trade; transparency of information; and effective unbundling, without all of which it would be extremely difficult for competition to take hold and in the end for customers to be in a position to be able to choose a supplier of gas and or electricity in a liberalised market. In terms of activities, the CEER's focus has been on reducing barriers to cross-border trade and the realisation of an efficient internal market.

Access to Networks and Monitoring

Regulators have attached considerable resources to ensuring that all players can access networks on an equal basis in terms of availability, price, and quality of transportation services. Developing technical rules and guidelines for non-discriminatory third party access to grids and the monitoring of key aspects of the implementation of Directives have been the mainstay of CEER's work in 2004. CEER has worked closely with the European Commission and with transmission system operators, organizations such as UCTE and ETSO, in order to improve transparency and effectiveness of network access, thus facilitating the development of competitive electricity markets. On gas issues, CEER presented, at the European Gas Regulatory Forum (Madrid Forum), a Monitoring Report on Guidelines for Third Party Access for Transmission System Operators, a report which was made in co-operation with GTE. CEER will continue in 2005 to monitor the effects that EU legislation, together with what the supporting guidelines, rules and voluntary agreements are having on the ground.

Infrastructure and Security of Supply

Regulators are committed to competitive energy markets and effectively regulated networks that produce the right investment signals to meet the needs of European customers and which guarantee high levels of security of

supply. Most of CEER's work contributes at least indirectly to security of supply, which first of all needs sound market rules. The responsibilities of each market player must be clearly established, within a liquid market, where choice is given among different tools to ensure secure supplies. Only if the market is well organised, including public service obligations, will infrastructure developers be ready to invest, will suppliers be ready to take the necessary commitments with producers and system operators, and will consumers know what are their rights.

In 2004, there had been much sharing of experiences among CEER members, in relation to harmonizing the criteria for the monitoring and assessment of security of supply situations, including discussion on how best to promote efficient investment in new electricity infrastructure to ensure the future security of electricity supplies in Europe. On the issue of new (gas and electricity) interconnection infrastructure, in May 2004, CEER published a paper which focused on promoting efficient investments in new cross border electricity infrastructure. CEER has also been studying incentives for new gas infrastructure. Ensuring non-discriminatory access to infrastructure is a priority for CEER and has, in both electricity and gas, been looking at the definition of criteria for exemptions.

CEER's effort to better inform the political debate on security of supply included the publication of a report on Security of Supply in September 2004. The report gave a comprehensive overview of the actual situation and practical implementation of security of supply issues (responsibility; power system value chain and security of supply; emergency regulation; and prevention and remedy of crisis situations, etc.). It also highlighted the importance of separating the political aspect of security of supply, namely the choice of primary energy, from the technical aspects.

Single Energy Market

In an effort to define a roadmap leading from regional markets to a single energy market, key areas of CEER's work this year have included the interactions of

electricity markets and competition and unbundling issues. CEER presented a CEER Working Paper to the XIth European Electricity Regulatory Forum (Florence Forum), in September 2004, on the "Key Interactions and Potential Trade Distortions between Electricity Markets".

This work is on-going in the 2005 work programme, including a number of work streams that consider the appropriate form of market rules that foster competition with particular regard to wholesale power markets, gas trading hubs, and balancing markets. Practical cooperation with DG COMP and DG TREN has already begun on specific work issues, such as the new national and European benchmarking reports required from 2005 under the Directives.

CEER has contributed to the political debate on issues such as renewable energy and security of supply through the publication of objective information and expert opinion. CEER published, in September 2004, a report on the Current Experience with Renewable Energy Support Schemes. This report provided objective information on the current and forecasted development of installed capacity for different technologies. This information is critical to inform the political debate on renewables and, moreover, the security of supply issue.

South East Europe

CEER is also proud of the central role it has played in developing an effective and competitive South East European (SEE) electricity and gas market. The momentum in the South East region escalated in 2004 resulting in significant progress on the Treaty negotiations on the Energy Community. Throughout 2004, CEER had been an active contributor to the Athens Forum Process and produced: (a) a Regulatory Benchmarking Report (October 2004), which assessed regulatory developments in the region; (b) an Options paper (November 2004) on the transitional steps towards the implementation of a regional electricity market in South East Europe; and (c) in November 2004, CEER presented a discussion paper to the Athens Forum participants on the detailed competences and the

overall role of the Regional Regulators Board in the Energy Community in South East Europe (ECSEE) process. Furthermore, the CEER was instrumental in contributing to the implementation of the SEE cross border trade mechanism which started on a virtual basis in January 2004 and on a real basis on 1 July 2004.

As of 10 October 2004, the South East region was reconnected with the Western Europe region. CEER has also assessed the existing situation in the national gas markets in South East Europe. The integration of this region into the EU is mutually beneficial to all parties, not least through improved security of supply via increased interconnection. CEER expects to be busy in 2005 dealing with the evolutions on the ECSEE Treaty, the follow up of the implementation of the CBT mechanism, monitoring and reporting on the developments, implementation of the regional market design, and the ongoing work on benchmarking and institutional development.

Advocacy in 2004

A sometimes understated activity of the Regulators is their advocacy actions. Regulators champion certain key issues, such as competition and the liberalisation process; better regulation; and the need to ensure security of supply, either as an external advocate (CEER) or as an integral part of the policy making process (ERGEG).

In terms of CEER's advocacy, the mechanisms are wide-ranging. In 2004, CEER provided expert views and advice to the European Institutions; produced Reports and Position papers, which included objective information and/or Recommendations/Guidelines; its members have delivered speeches and presentations; and CEER has commented on draft legislation. Regulators' advice is arguably unique in that it is both expert and impartial.

Whilst many bodies advocate the principles of competition and market liberalisation, Regulators try to do much more than pay lip service to the concepts by promoting effective competition and successful liberalisation. Regulators' advocacy activities have

included detailed technical proposals (by CEER and ERGEG) for the practical implementation of the Electricity and Gas Directives and Regulations. Another key feature of (CEER's) advocacy this year was that of monitoring and promoting compliance with existing and new rules (including voluntary agreements), because in promoting compliance, competition and liberalisation are promoted.

In promoting liberalisation, CEER has published comments on three new pieces of draft legislation proposed by the European Commission, namely the draft European Commission proposal for a Gas Regulation (on conditions for access to the gas transmission networks) (COM (2003) 741), the draft directive concerning measures to safeguard security of electricity supply and infrastructure investment (COM (2003) 740), and the draft directive on energy end-use efficiency and energy services (COM (2003) 739). Regulators have also, for example, through the ERGEG, dedicated much effort to introducing new guidelines that would ensure non-discriminatory access to gas storage.

The Year Ahead

Looking forward to 2005, CEER will continue to work to secure non-discriminatory access to the networks; ensure that there are no impediments to, or distortion to, the signals for investment in new infrastructure; and promote effective unbundling and efficient and competitive energy markets. Regulators remain committed to ensuring that market rules foster competition, thus the 2005 work programme includes a number of work streams that consider the appropriate form of market rules, any necessary cross border harmonisation, with particular regard to wholesale markets, gas trading hubs and balancing markets. CEER will devote more resources to working with the European Commission on competition issues and already such co-operation has begun with DG TREN and DG COMP.

Monitoring the implementation of relevant legislation and voluntary agreements will be a priority in 2005. With the new emissions trading scheme starting on 1 January 2005,

CEER will be keeping a close eye on the resulting impact on electricity prices and other environmental issues through a new task force dedicated to environmental issues.

CEER is committed to improving good regulatory practice and, through the activities of the Florence School of Regulation, will ensure introductory and specialist advanced training for the staff of regulatory agencies and for officials in the utilities on regulatory policies, methods and procedures. The Florence School of Regulation will continue to be used as a forum for policy decision makers, regulators, business managers and researchers from different sectors and different countries to discuss and disseminate best practices; anticipate new challenges and requirements; and develop long term strategic issues.

CEER will also broaden its collaboration within the EU Institutions in 2005. During 2004, CEER deepened its relations with DG RESEARCH and with the European Parliament. The CEER President also presented before the ITRE Committee on 7 October, on regulatory issues generally, and again on 7 November as part of an Expert Hearing on the draft Security of Supply and Infrastructure Directive.

CEER will devote greater effort in 2005 to promote further contacts with the institutions.

Regulators (through ERGEG or CEER as appropriate) will continue to provide active support to the European Commission as regards the respective regulatory fora for Electricity (Florence), Gas (Madrid), South East Europe (Athens), fostering the necessary dialogue with all interested parties.

In the spirit of good regulatory practice, CEER publishes a three year Work Plan and Annual Work Programme and now reports on the deliverables as set against the Annual Work Plan (see Appendix II below). CEER also makes all public documents available on its website (www.ceer-eu.org) and is committed to dialogue with interested parties. Further information on the ERGEG, including the ERGEG 2005 Work Programme, can be

found on the ERGEG website (www.ergreg.org).

3. Electricity

The focus of the electricity related activities of CEER's work during 2004 has been on the following issues:

- Electricity infrastructure
- Operational Standards for electricity transmission system operation
- Congestion management and transparency
- Balancing markets
- Inter-TSO compensation mechanisms

During 2004, the work on the draft Guidelines, proposed by the European Commission on Congestion Management, Inter-TSO Compensation Mechanism, and Tariffs, were brought forward by the Regulators via ERGEG and not CEER. ERGEG is the institution through which Regulators formally advise the Commission, whereas CEER is the institution by which it provides less formal advice and position papers to the Commission. Thus for a complete overview of Regulators' activities in these areas, you should consult the ERGEG 2004 Activity Plan (www.ergeg.org).

Electricity Infrastructure

In order to achieve an effective Internal Electricity Market, a sufficient level of interconnections is needed. CEER has been working in 2004 on incentives for new electricity infrastructure.

In May 2004, CEER published a Position Paper, "Principle 5 for Congestion Management" that addressed what is considered to be one of the major obstacles to the development of new cross-border transmission investments, namely the uncertainty concerning adequate remuneration. CEER proposed to eliminate this uncertainty by requiring those regulators who are involved in cross border interconnections to reach a common position on adequate remuneration and by setting the appropriate remuneration schemes. This work will continue in 2005.

At present, work is also being undertaken on the so called "regulatory tests" that are used in Europe, with the objective of issuing recommendations which would allow

the relevant regulatory authority to assess and decide on an interconnection proposal. This includes work on the criteria and procedures to be developed by TSOs to determine if a new internal reinforcement should be considered a domestic or a cross border investment; indicative guidelines to implement a tendering process for cross border investments; and also the information that has to be made available to potential network investors.

Ensuring non-discriminatory access to the transmission grid is also a priority for CEER and as a starting point in 2004 it has been looking at the current exemptions across Europe. Work is to continue in 2005 on defining the criteria for exempting new electricity interconnectors from Third Party Access.

The 2003 European Commission Draft Proposal for a Directive on Security of Electricity Supply and Infrastructure Investment ((COM (2003)740)) motivated a reaction of CEER to three Articles of the proposal, namely those related to Article 6 (on network investment), Article 7 (on investment in cross border interconnectors infrastructure), and Article 5 (on maintaining the balance between demand and supply). The Position Paper was presented at the XIth Florence Forum. In this Position Paper, CEER supported the broad intention of the Commission's proposal but it also included several comments on the approach and consequences of the proposal, particularly concerning the development of interconnection infrastructures.

Operational Standards for Electricity Transmission System Operation

A set of common rules for operation and coordination between TSOs needs to be developed so as to adequately meet the needs of the Internal Electricity Market. Following a CEER suggestion, presented at the Florence Forum, UCTE has been working closely with other organizations, including CEER, in the development of a new set of operational standards (Operational Handbook).

At the XIth Florence Forum (September 2004), CEER presented its Position Paper on the draft UCTE

Operational Handbook. CEER believes that special attention needs to be paid to: a) establishing clearly the responsibilities and liabilities; b) the legally binding nature of the rules, including the need to carefully examine any exemption to the rules; c) the effective implementation, assessment and monitoring; and, finally, d) the role of the regulators.

After the XIth European Electricity Regulatory Forum (Florence Forum), UCTE and CEER agreed to hold a series of meetings to discuss in more detail issues related to the Operational Handbook. Since September 2004, three technical meetings have taken place.

Congestion Management and Transparency

Several electricity interconnectors across Europe are frequently congested and therefore it is important to develop transparent mechanisms to deal with this problem.

CEER has been analyzing, during 2004, the existing methods for calculating cross border capacity. The focus has been on the main issues, including the determination of the base cases, the different time frames considered, the treatment of long term contracts and loop flows, and the security criteria used.

CEER had intended, at the beginning of 2004, to issue a set of recommendations, but given the fact that Congestion Management Guidelines were not approved in 2004 and because a series of regional Mini-foras on congestion management had been initiated by the European Commission for late 2004/early 2005, this work has been rolled over into the 2005 work programme.

In addition, CEER considers that the transparency of information relating to the physical situation of the European electric system as important. In its previous Position Paper on transparency (dated September 2002), the CEER had started to express the conditions of information that TSOs would have to fulfil. Although some initial progress has been recorded in many member states, the degree of transparency of

information concerning the physical situation of the European electric system remains weak. This work will also continue in 2005.

Balancing Markets

CEER believes that although balancing markets represent a small portion of the electricity traded, they have a considerable impact on the conditions for competition both within and between Member States. CEER has been conducting during 2004 a detailed study on balancing markets across Europe, with a view to developing a set of recommendations. The work in this area will continue in 2005 under the umbrella of ERGEG, with the aim of developing Guidelines for Good Practice.

Inter TSO Compensation (ITC) Mechanism

Since the elimination of import and export electricity tariffs, a temporary method developed by ETSO is being used for compensations between TSOs for transit flows. As a further development of the Electricity Regulation 1228/2003, the Commission proposed in February 2004 a set of Guidelines for ITC and a new version in September 2004 for the Florence Forum. However, the participants at the Forum indicated that the current draft of the guidelines should not be approved until a detailed regulatory framework and a more detailed analysis of alternative models had been developed. The Commission is at present conducting such studies. Regulators are working too on these long term mechanisms, with a particular focus on the information needs. This work is contingent on the development of the long term model, hence work will continue in 2005, although under the umbrella of the ERGEG (rather than CEER).

Also key in this area, is the need to establish the relevant information to be provided by TSOs on their costs and the physical flows in transmission networks. The work in this area will continue next year under the umbrella of ERGEG as it is necessary to first define the ITC mechanism to be used.

The key areas of CEER's work on gas issues during 2004 were:

- Monitoring the Guidelines for Good TPA (Third Party Access) Practice for Transmission System Operators (GGP2)
- Comparison of gas balancing service tariff structures
- Incentives for new gas infrastructure

In 2004, CEER also worked closely with the newly formed ERGEG on a number of gas issues. Through ERGEG, Regulators provided advice to the European Commission and engaged with industry players in dialogue on a range of issues such as developing guidelines for access to storage, monitoring the implementation of entry-exit tariff structures in Member States and analysis of possible harmonization measures, and studying options for the introduction of efficient cross border mechanisms.

Monitoring Report on Guidelines for Good Third Party Access (TPA) Practice for Transmission System Operators (TSOs)

A set of "Guidelines for Good TPA Practice for Transmission System Operators (GGP2)" were approved in September 2003 at the VIth European Gas Regulatory Forum (the Madrid Forum). These Guidelines illustrate some of the practical steps to be taken as a result of the second Internal Gas Market Directive 2003/55/EC, such as regulated tariffs for transmission, capacity allocation mechanisms, and the need for non-discriminatory approaches to such issues as use-it-or-lose-it rules, balancing and transparency. Since 1 July 2004, the Gas Directive submits all gas transmission, including transit, to regulated TPA.

In order to analyze how the GGP2 were being implemented, the CEER issued a questionnaire to the Transmission System Operators in 2004, the results of which formed the basis of a report, which was made in

co-operation with GTE and which was presented at the Madrid Forum in July 2004. While noting an important improvement, the report identified a certain lack of compliance with respect to some key rules and principles (such as implementation of appropriate congestion management rules and incentives for efficient use of capacity), and highlighted modifications that could be effective.

Gas Balancing Service Tariff Structures

The CEER carried out a comparison of gas balancing service tariff structures in each Member State so as to better understand how different balancing regimes in Member States might act to distort trade between member states. A first draft of a report, incorporating advice from stakeholders and consultants, has been prepared. In March 2005, a final version of the report will be submitted for public consultation with a view to presenting it at the first Madrid Forum in 2005.

Incentives for new Gas Infrastructure

The European Union as a whole needs increased investments, largely because gas consumption will continue to grow more quickly than domestic production. This requires investments in upstream infrastructure (production, pipelines, liquefaction trains & LNG cargos), transport (including interconnections), storage and LNG terminals. CEER's work in 2004 focused on activities subject to European TPA regulations, which excluded the upstream business.

CEER recognizes that to allow for these investments there is a need to ensure that the regulatory framework is well adapted, both in terms of allowing for competition in the gas sector and in providing incentives for efficient investments - obtaining the right balance between both requirements.

The 2003 CEER paper on "Financial reward for infrastructure" noted that the modalities for investments in gas infrastructure in the different EU 15 Countries differed widely.

The Gas Directive (2003/55/EC) adds a new possibility to the financing of new infrastructure with Article 22 allowing new investments to be made under some conditions for exemptions to the TPA regime. This new possibility adds a new way of financing new investments, but may also add to the uncertainty with regard to the conditions according to which investments are made.

As in electricity, CEER has looked at incentives for new gas infrastructure and the definition of criteria for exempting new gas infrastructure from Third Party Access (TPA). CEER believes that good regulation reduces the investor's risks. In order to reduce any potential regulatory risk which might impede or delay new investment, a CEER Position Paper on "Investment in Gas Infrastructures and the Role of EU National Regulatory Authorities" is being developed to clarify regulatory conditions in EU member states, and in this context it will also provide guidance to future investors. This document will be submitted for public consultation and presented at the Madrid Forum in 2005.

5. The Single Energy Market

The key objective of the work on the single energy market was to define a roadmap leading from regional markets to a single energy market.

Key areas of work include:

- interactions of electricity markets
- competition issues
- unbundling issues
- renewable energy sources
- South East Europe

Key Interactions between Markets

The question of interactions between markets is particularly pertinent in the light of the European Commission's medium term vision of a regional approach to the development of a Single Energy Market for the electricity market. A Draft CEER Working Paper on "Key interactions and potential trade distortions between electricity markets" was presented to the XIth European Electricity Regulatory Forum (Florence Forum) in September 2004.

The main focus of this paper was to identify how electricity markets might interact with each other, where interactions might inhibit trade, and which interactions should have priority actions. It draws an analysis based on an ideal market model and real world experiences from market participants, including energy traders. However, CEER considers it helpful to further develop this work on 'interactions' through detailed work. Thus a "Road Map" is being developed which reports in detail on all important issues.

Assessment of Competitiveness

The new electricity and gas directives charges the European Commission with publishing an annual report on the overall progress of establishing an internal electricity and gas market. In this report the Commission should address aspects such as market dominance,

market concentration, predatory or anti-competitive behaviour, and market distortions. An additional task for member states is also to monitor the level of competition in the energy markets.

In this context, the CEER is working on two issues: market definition, and indicators for assessing the competitiveness of markets. The main focus of the work stream on regional market definitions, during 2004, was on the theoretical arguments of market definitions; description of existing EU regional markets; criteria for the development of efficient wholesale markets; key lessons from current and planned developments in the EU, USA, Australia; and on proposals for measures to address impediments for the development of efficient wholesale markets. CEER produced an internal paper, "Regional Market Definition", in August 2004.

The CEER also intends to draw together the main findings of work carried out by national competition authorities concerning these issues, with primary focus on identifying appropriate indicators and/ or descriptions of relevant approaches to assist in the monitoring of these issues. This work will be further developed during 2005.

CEER also co-operated with the European Commission (DG TREN) on their 4th Annual Benchmarking Report on the Implementation of the Gas and Electricity Internal Market. Further co-operation, through the ERGEG, on the reporting requirements is expected in 2005 as each member state is now required, under the new Directives, to prepare its own national monitoring and competition report.

During 2004, work began on a competition assessment in the energy sector, which was part of the broader task of assessing market dominance, predatory and anti-competitive behaviour, and defining the criteria for such assessment. It points to the need to strengthen co-operation between regulatory authorities and competition authorities in merger and other competition cases relating to the energy sector. Hence, CEER is of the opinion that it is necessary to establish mechanisms

for formal, systematic and efficient cooperation between the regulatory authorities and competition authorities on a national as well as European level. The Energy Day in September 2004, an initiative of the European Commission, marked a start for wider co-operation between the EU competition and regulatory authorities. The CEER is committed to deepening this co-operation in 2005.

Unbundling Measures in Place

The new directives on liberalising the electricity and gas markets also contain provisions concerning the unbundling of Transmission System Operators (TSOs) and Distribution System Operators (DSOs) in the form of legal, functional and accounting separation.

A questionnaire on the implementation of unbundling provisions, both for gas and electricity markets, into national law was prepared and disseminated to analyse the unbundling measures and experiences in place across the Member States. The conclusion drawn from this questionnaire was that most member states' plans are not very ambitious in their transposition of the EU directive into national law, usually only complying with the minimum standards concerning unbundling.

Future work on Design and Implementation of Gas Hub Wholesale

CEER sees the development of gas trading hubs as a central feature of a competitive gas market. The main objective is to identify minimum service standards for gas hubs, to analyze the interactions between hubs, and to investigate the necessary regulatory framework to establish a hub-related wholesale energy market in the European gas market. The work was based on the CEER Position Paper, "The Development of Gas Hubs and Trading Centres in Europe", which was presented at the VIIth Madrid Forum. The remainder of this work will form part of the CEER Work Programme for 2005.

Renewable Energy Sources

The issue of renewable energy sources for electricity (RES-E) was addressed during the course of the year. The main objective was to consider the impact of the Renewables Obligations on liberalized electricity markets. This culminated in a CEER report which described the current experiences with RES-E support schemes and uncovered various problems. The purpose of this report was to inform the debate on RES-E in general and more specifically to quantify some technical and economic consequences of the dynamic development of RES-E within Europe.

The report found that the majority of the problems uncovered had arisen from the fact that there was no harmonised support system within Europe. In order to reach cost-effectiveness and at the same time not to disturb competition within the market the main message of this report was to implement a European wide harmonised RES-E support system, respecting both existing resources and characteristics of the grid. Further work is planned in 2005 through a new CEER task force which will deal with environmental issues.

6. South East Europe Electricity Regulation

2004 witnessed incredible progress for South East Europe. After a period of 13 years, the interconnector with the Western European grid (the UCTE area) was re-established and the second phase, the establishment of independent institutions and regulations, is proceeding rapidly. In May 2004, the Council of the EU decided to authorize the European Commission to open negotiations on behalf of the European Community on an agreement for the Treaty on the Energy Community in South East Europe.

The Commission launched, on 13 October 2004, the first round of the negotiations for this Treaty. Further to the Ministerial meeting in December 2004, it is expected that the Energy Community in South East Europe (ECSEE) Treaty will be finalized by mid 2005.

The objective is first to have an integrated regional energy market in the region by 2005, followed by progressive integration into the European Community's Internal Energy Market. The latest version of the draft Treaty proposes 1 January 2008 as the latest date for full market opening for non-residential customers and by 1 January 2015 for all customers.

Throughout 2004, CEER has had a key role in the process to integrate the Balkan countries into the EU electricity and gas market. In particular, CEER has been active in monitoring and reporting on developments on institutional building, and on the evolutions related to the legal framework for establishing the ECSEE. CEER has also actively contributed to the development of the Action Plan for the Implementation of the Standard Market Design of the South East regional energy market, by way of its "Options Paper on the Transitional Steps". CEER has, in close collaboration with ETSO, approved the costs of the horizontal network for the Cross-border mechanism, which started on 1 July 2004. CEER has also assessed the existing situation in the national gas markets in South East Europe.

Second Benchmarking Report for South East Europe

CEER produced, in collaboration with USAID, a (Second) Regulatory Benchmarking Report for the Energy Community of SEE, which was presented at the Vth Athens Forum (October 2004).

The purpose of the Report was to assess the regulatory development in the region. It concluded that whilst major progress with the establishment of an independent regulatory authority had been made in most of the states concerned, additional efforts were still necessary in order to comply with the provisions of the new Electricity and Gas Directives. Critical issues were notably the independence of regulators and the existence of safeguards for the proper functioning of the regulatory authorities, for instance sufficient financial and human resources.

Steps towards the Implementation of the Regional Market in South East Europe

In November 2004, CEER submitted to the Athens Forum participants a Discussion paper on "Options for the transitional steps for the ECSEE electricity market". CEER's intervention had been crucial in contributing to the implementation of the SEE cross border trade mechanism which had started on a virtual basis in January 2004 and on a real basis on 1 July 2004.

South East European Gas Market

In 2004, work had also started to elaborate on the market and regulatory survey of the SEE national gas markets with a view to developing, as a second step, a strategy paper on the establishment of the SEE regional gas market and in particular to facilitate investment in the gas networks on a regional basis. Both papers will be finalised in 2005.

Another recent important development, in the near future, will be the existence of a separate Gas Regulatory Forum specifically for SEE, which will most likely take place in Istanbul.

South East European Regulators Board for Electricity and Gas

The "Tirana Declaration" (June 2004) provided for the establishment of the "South East European Regulators Board for Electricity and Gas". The Regulators Board had been adopted by the Ministerial Council by the end of 2004. In November 2004, CEER presented a discussion paper to the Athens Forum participants on the detailed competences and the overall role of the Regional Regulators Board in the ECSEE process. It stressed that this role should not interfere with issues that fall within the competence of national regulators but instead will concentrate on issues with a regional dimension, with the aim of achieving an effective and consistent regulatory process in the SEE region. CEER also emphasised that the Board should be empowered with sufficient independence and resources to accomplish this role.

In 2005, all issues related to the Energy Community Treaty for South East Europe will greatly influence the CEER's work on South East European issues in 2005.

Appendix I: Member Authorities

Members

Austria	E-Control Ltd (ECG)
Belgium	Commission de Régulation de l'Electricité et du Gaz (CREG)
Cyprus	Cyprus Energy Regulatory Authority (CERA)
Czech Republic	Energy Regulatory Office (ERU)
Denmark	Danish Energy Regulatory Authority (DERA)
Estonia	Estonian Energy Market Inspectorate (EEMI)
Finland	Energy Market Authority (EMV)
France	Commission de Régulation de l'Energie (CRE)
Germany	The Regulatory Authority for Telecommunications and Posts (RegTP)
Greece	Regulatory Authority for Energy (RAE)
Hungary	Hungarian Energy Office (HEO)
Iceland	National Energy Authority (Orkustofnun)
Ireland	Commission for Energy Regulation (CER)
Italy	Italian Regulatory Authority for Electricity and Gas (AEEG)
Latvia	Public Utilities Commission (PUC)
Lithuania	National Control Commission for Prices and Energy (NCC)
Malta	Malta Resources Authority (MRA)
The Netherlands	Office of Energy Regulation (DTe)
Norway	Norwegian Water Resources & Energy Directorate (NVE)
Poland	The Energy Regulatory Office (ERO)
Portugal	The Energy Services Regulatory Authority (ERSE)
Slovak Republic	Regulatory Office for Network Industries (URSO)
Slovenia	Energy Agency of the Republic of Slovenia (AGEN)
Spain	The National Energy Commission (CNE)
Sweden	Swedish Energy Agency (STEM)
Great Britain	Office of Gas and Electricity Markets (Ofgem)

Non members (invited to participate)

Luxemburg Institut Luxembourgeois de Régulation (ILR)

Honorary Members

Former Vice-Presidents, Mr McCarthy and Mr Ranci, as founding members of the CEER, were invited to become Honorary members of CEER with effect from 10 February 2004.

Appendix I I: Work Group/Task Force Structure 2004

CEER

Electricity WG	Gas WG	SEM WG	SEEER WG
Jordi Dolader Michel Massoni (Vice) Shaun Kent (Vice)	Jean-Paul Pinon (Co-chair) Boaz Moselle (Co-chair)*	Walter Boltz David Haldearn (Vice)	George Koulzoukos (Co-chair) Alessandro Ortis (Co-chair)
System Operation Tahir Kapetanovic Guido Bortoni (Vice)	Network Access Rules Nina Grall	Regional Energy Market David Haldearn	Gas
Electricity Infrastructure Maria Jose Clara	Gas Balancing Cemil Altin*	Competition & Unbundling Monitoring Johannes Mayer	Institutional Building
Inter-TSO Compensation Ritva Hirvonen	Gas Infrastructure Pierre-Marie Cussagnet	Security of Supply Jan Moen	Institutional Compliance
			Internal Market
			Market & Investment Facilitation

* Kevin James was Co-chair of the GWG until September 2004

* Kevin James was Chair of the Gas Balancing TF until September 2004

Appendix III: CEER's Performance against Expected Deliverables 2004

Electricity issues

Description of Action/Issue	Expected Deliverable	Outcome
Incentives for new electricity	Criteria and the procedure to be developed by TSOs to determine if a new internal reinforcement has to be considered as a domestic or a cross-border investment and who are the involved TSOs.	Internal Working Paper: "Criteria and the procedure to be developed by TSOs to determine if a new internal reinforcement has to be considered as a domestic or a cross border investment and the involved TSOs", 16 December 2004.
	A description of the regulatory tests that are used in EU countries, with the objective of establishing some future recommendations on how to perform this test and the specification of the information that has to be made available for this purpose.	Work to be continued as a part of the CEER work programme for 2005.
	Indicative guidelines to implement a tendering procedure for cross-border investments, which will be developed taking into consideration the existing experience in diverse Member States in this regard.	Internal Working Paper: "Indicative guidelines to implement a tendering procedure for cross border investments which will be developed taking into consideration the existing experience in diverse Member States in this regard", 16 December 2004.
	Definition of the information that has to be made available to network users and potential network investors.	Internal Working Paper: "Definition of the information that has to be made available to potential network investors", 16 December 2004.
Definition of criteria for exempting new electricity interconnectors from Third Party Access (TPA)	A short review of the existing interconnectors where exemption of regulated TPA is applied and list the reasons for exemption as well as the rules applied to these interconnectors.	Work to be continued as a part of the work programme for 2005.
	A set of rules regarding those situations where exemption may be applied (for DC links, AC links and increases in interconnector capacity): under which conditions exemption can be granted; what kind of conditions could/should be imposed regarding the duration of the exemption and non discriminatory access to the interconnector.	Work to be continued as a part of the work programme for 2005.
	A proposition of the consultation process (how to ensure that other Member States and their regulatory authorities are duly taken into account in the process).	Work to be continued as a part of the work programme for 2005.

Electricity issues (continued)

Description of Action/Issue	Expected Deliverable	Outcome
Setting operational standards and rules for electricity transmission system operation	An informed CEER position on the UCTE set of security and reliability standards with the objective of maximising the flexibility of system operation to the benefit of market functioning and electricity trade.	CEER Position on the UCTE Operational Handbook, presented at the XIth European Electricity Regulatory Forum in Rome, September 2004.
Balancing issues; comparison of electricity balancing service tariff structures; and technical issues	Internal Working Paper on Balancing Markets.	An Interim Paper on Balancing Markets is still in the process of being prepared. It will be ready by mid January 2005. Work will continue in 2005.
Comparison of calculation methods for electricity capacity interconnection	Recommendations.	Internal Working Paper: "Recommendations and the further work needed on the Calculation of Cross-Border Capacity", 16 December 2004. Work will continue in 2005. Results of the Mini Fora on congestion management will be considered.
Definition of guidelines on electricity Inter-TSO compensation	Agreement on a CEER position and proposal for the key criteria for the long-term inter-TSO compensation Consistency check and - if necessary - adjustments to other regulatory measures.	CEER position paper on Long Term requirements of the Inter-TSO Compensation Mechanism, March 2004. An internal Status Report: "Key Elements for the long-term ITC Mechanism", 16 December 2004. Work to be continued in 2005 under the ERGEG Work Programme.
Provision of information to the European Commission, on a regular basis, about electricity TSO costs and physical flows in transmission networks	Proposal for information to be collected, addressing any confidentiality and transparency issues, and suitable frequency. Assessment of the advantages and possible difficulties to create and manage a central database.	Internal Working Paper: "Discussion Paper on the Information Needs for the ITC Mechanism", dated 26 December 2004, which reflects the work carried out in 2004 (not completed). As the long-term ITC mechanism is not yet ready, detailed information based on the ITC mechanism can not yet be defined. Work to be continued in 2005 under the ERGEG Work Programme.

Gas issues

Description of Action/Issue	Expected Deliverable	Outcome
Guidelines for Good Practice (GGP2) on TPA by gas TSOs	CEER report and presentation on Implementation of GGP2.	Monitoring Report 2004 concerning Compliance with the Guidelines for Good Third Party Access Practice to Gas Transmission Systems, presented at the Madrid Forum in July 2004.
Development of CEER Position Paper on the draft Gas Regulation	CEER Position Paper on the Draft Gas Regulation.	CEER Comments on European Commission Proposals for a Regulation of the European Parliament and the Council for Access to the Gas Transmission Networks - published in April 2004 and communicated to the European Commission and European Parliament.
Comparison of gas balancing service tariff structures	CEER Gas Balancing TF Report.	<p>First draft of a Gas Balancing Report for discussion, incorporating information reported by consultants as well as by stakeholders, has been prepared.</p> <p>Final version by March 2005 for public consultation and presentation at the first Madrid Forum in 2005.</p>
Report on "Investment in Gas Infrastructures and the Role of EU National Regulatory Authorities"	Report to the CEER General Assembly.	<p>Draft Report on "Investment in Gas Infrastructures and the role of EU National Regulatory Authorities", December 2004), incorporating an "orientation note" on the interpretation of Article 22 Derogations, has been prepared (GWG).</p> <p>Final version by February 2005 for public consultation and presentation at the first Madrid Forum in 2005.</p>

Single Energy Market Issues

Description of Action/Issue	Expected Deliverable	Outcome
<p>Definition of a regional market. Description of currently existing regional markets and their characteristics:</p> <ul style="list-style-type: none"> ■ Wholesale ■ Retail ■ Balancing/regulation ■ Comparison of regional market characteristics 	CEER "Vision" Paper.	Internal CEER working paper (at TF level) "Regional Market Definition", August 2004.
<p>Impediments to the realization of regional markets in Europe: Position paper on strategic focus re: harmonisation of electricity market arrangements in the IEM; measures which might be used to overcome impediments</p> <p>Looking at comparative measures for assuring Security of Supply in different countries</p>	<p>CEER paper</p> <p>Possible further technical work to be undertaken by Electricity WG.</p>	<p>This was met jointly by the two draft Working Papers:</p> <p>Internal CEER paper: "Regional Market Definition", Draft August 2004 and the CEER Working Paper: "Key interactions and potential trade distortions between electricity markets" which was presented at the XIth Florence Forum in September 2004.</p>
<p>Based on the WGE report, analyse regionalization of the balancing markets and possible requirements for a related regulation until 2007 and after (milestone full opening)</p>	CEER internal paper	<p>This work was curtailed when a short investigation demonstrated that few national systems might reveal some interdependence.</p>
<p>Position paper on synergies and strategic dependencies of electricity and gas balancing issues (common with gas)</p>	CEER Position Paper	<p>This work was curtailed due to the view that these synergies are relatively infrequent in most EU Member States except UK, the Netherlands and Ireland.</p> <p>Work is on-going in the Gas Working Group to look at Gas Balancing.</p>
<p>Paper identifying the key interactions between regional markets, where interactions might inhibit trade, and which interactions should have priority action. Proposals on measures that could be used to address priority areas: Initial report. Detailed report on all important issues</p>	<p>CEER Paper for Florence Forum</p> <p>CEER Policy paper for discussion with the European Commission</p> <p>Further technical work for Electricity WG.</p>	<p>Draft CEER Working Paper: "Key interactions and potential trade distortions between electricity markets", which was presented at the XIth Florence Forum in September 2004.</p> <p>Further work is scheduled for 2005 on a "Road Map" Strategy paper.</p>

(Single Energy Market Issues continued)

Description of Action/Issue	Expected Deliverable	Outcome
Design and implementation of wholesale Gas Hubs market. Detailed report on all important issues	CEER paper on gas hubs.	Initial work began by way of a questionnaire and will be continued in 2005 by the Gas Working Group.
Market Analysis	CEER Paper on recommended indicators and necessary data.	Series of workshops with DG TREN for a better market analysis in the context of their (4th) Annual Report on the implementation of the gas and electricity Internal Markets. This co-operation will continue in 2005 through the ERGEG and includes cooperation with DG COMP.
Study on the effects of recent merger cases and the real effects of the remedies	Study and recommendations for future remedies and/or other measures.	Draft Report on "Competition assessment in the energy sector: selected issues". Work to be continued in early 2005.
Analysis of the unbundling measures and experiences in place across the countries - accumulation of data and facts should be done by the E&G WG. Strategic analysis and conclusions by SEM	CEER Monitoring Guidelines.	Initial work began in 2004 on the intended unbundling measures at a national level but as most member states had not implemented the Directives by July 2004, this work will be carried over to 2005.
Security of Supply Report	CEER paper & report	CEER Security of Supply Report 2004, published in September 2004.
Security of Supply Directive proposal review & feedback	WG SEM paper, CEER "non-paper".	CEER Comments on the Proposal for a Directive concerning Measures to Safeguard Security of Electricity Supply and Infrastructure Investment, published in September and presented at the XIth Florence Forum.
SOS - Gas: Assessing and monitoring SOS issues of common interest	CEER study	Work to be continued in 2005.

South East European Issues

Description of Action/Issue	Expected Deliverable	Outcome
<p>To monitor and report on developments on institutional SEE region</p> <p>Collaborate with the EC on the benchmarking of the implementation of the provisions of the Athens MOU and the forthcoming treaty, and with the Donors' Community for the corresponding benchmarking reports they prepare for the regulatory authorities and the TSOs of the SEE region</p>	<p>Second Regulatory Benchmarking Report prepared in collaboration with USAID.</p>	<p>CEER "Second Regulatory Benchmarking Report for building in the Athens MoU signatory parties and Observers", October 2004.</p>
<p>To closely follow and contribute to the implementation of the SEE CBT 2004 mechanism, which started on a virtual basis since Jan 2004 and on a real basis from the 1st of July 2004 onwards</p> <p>To monitor the implementation of the transparency guidelines and the imposition of congestion management mechanisms throughout the SEE countries</p> <p>To monitor the evolutions of the synchronous reconnections of UCTE 1 and UCTE 2 zones</p> <p>To collaborate with ETSO (SETSO) and UCTE for the implementation of the above</p>		<p>CEER WG SEEER, in close collaboration with ETSO, has approved the costs for the Horizontal Network of the SEE countries' networks for the SEE-CBT mechanism.</p> <p>The CBT mechanism started on 1 July 2004.</p> <p>The North-South reconnection of the UCTE 1 and UCTE 2 zones was accomplished on 10 October 2004.</p> <p>Work is ongoing on monitoring evolutions regarding implementation of transparency and congestion management mechanisms throughout the SEE region.</p>

(South East European Issues continued)

Description of Action/Issue	Expected Deliverable	Outcome
<p>To actively contribute to the development of the Action Plan for the implementation of the Standard Market Design (SMD) of the SEE Regional Energy Market</p> <p>To monitor, along with EC, ETSO and UCTE, and in collaboration with the Donors, the implementation of the aforementioned Action Plan</p> <p>To further develop the proposals of the SEEER WG on the SMD of the SEE REM and seek for wider acceptance between SEE market participants</p>	<p>Updated version of Standard Market Design discussion paper which may become a CEER Position Paper.</p>	<p>CEER Discussion Paper on the "Options for the transitional steps for the ECSEE electricity market" was sent to Athens Forum Participants in November 2004.</p> <p>Draft CEER Paper "Towards an Action Plan for the Implementation of the Standard Market Design for the SEE Regional Electricity Market". This work is set to continue in 2005 and is very dependent on the outcome of the political discussions around the ECSEE Treaty.</p>
<p>Monitoring of the evolutions related to the legal framework for the establishment of the ECSEE and the corresponding institutional building</p>		<p>CEER Discussion paper on the South East European Regulators Board for Electricity and Gas.</p> <p>Continued monitoring of the evolutions regarding the conclusion of the ECSEE Treaty in close collaboration with regional stakeholders, mainly with the European Commission.</p>
<p>Assessment of the existing situation in the national gas markets in SEE</p>	<p>SEE Gas Market Survey.</p>	<p>Draft paper on SEE Gas Market is under discussion within the TF for presentation during the 5th Athens Forum.</p> <p>The draft work-plan of the SEEER Gas TF was presented at the SEE gas workshop of Zagreb, on 28 September 2004.</p>

Additional CEER Outputs (not part of the CEER 2004 Work Programme)

Description of Action/Issue	Expected Deliverable	Outcome
Paper on transparency on network access and generation	CEER Working Paper.	<p>Internal Working Paper: "CEER Position Paper on the transparency of network access and generation", 16 December 2004.</p> <p>Not included in the Work Programme 2004, but was produced as a result of the data collected for the Electricity Balancing paper</p>
Consideration of impact of Renewables obligation on liberalized electricity markets	CEER Report.	<p>CEER Report on Current Experience with Renewable Energy Support Schemes in Europe, September 2004</p> <p>Further work on environmental questions is scheduled for 2005 through a separate Environment TF.</p>

Appendix IV - CEER Reports/Studies/ Position Papers and Presentations

All the public documents referred to in this Annual Report can be downloaded from the CEER website: www.ceer-eu.org or obtained from the CEER Secretariat: Brussels@ceer-eu.org

Published documents:

- CEER Annual Report 2003, February 2004
- CEER Position Paper on Setting a Competitive G across Europe, March 2004
- CEER Position Paper on the Long-term requirements of the Inter-TSO Compensation Mechanism (ITC), March 2004
- CEER Position on the Proposal for a Regulation of the European Parliament and the Council on Conditions for Access to the Gas Transmission Networks, April 2004
- CEER Position Paper on Principle 5 for Congestion Management, May 2004
- Final Report, by the International Price Comparison WG, (internal CEER document) April 2004
- CEER Position Paper on Regulatory Control and Financial Reward for Electricity Cross-Border Transmission Infrastructure, May 2004
- CEER Work Programme 2004
- CEER Monitoring Report on Guidelines for Good TPA (Third Party Access) Practice for Transmission System Operators (GGP2), July 2004
- Corrigendum for CEER Monitoring Report on Guidelines for Good TPA (Third Party Access) Practice for Transmission System Operators (GGP2), presented at VIIIth European Gas Regulatory Forum, July 2004
- Presentation on Guidelines for Good TPA (Third Party Access) Practice for Transmission System Operators (GGP2), presented at VIIIth European Gas Regulatory Forum, July 2004
- CEER Security of Supply Report 2004, September 2004
- CEER Comments on the (European Commission) proposal for a Directive concerning measures to safeguard security of supply and infrastructure investment, September 2004
- Presentation on CEER Position on the (European Commission) proposal for a Directive concerning measures to safeguard security of electricity supply and infrastructure investment - presented at the XIth European Electricity Regulatory Forum in Rome, September 2004

- CEER Comments on the proposed EU Directive concerning Energy End-Use Efficiency and Energy Services (September 2004)
- CEER Report on the Current Experience with Renewable Energy Support Schemes In Europe, September 2004
- CEER Position on the UCTE Operation Handbook, presented at the XIth European Electricity Regulatory Forum in Rome, September 2004
- Presentation of the CEER Position on the UCTE Operation Handbook - presented at the XIth European Electricity Regulatory Forum in Rome, September 2004
- CEER Working Paper for Florence on Key interactions and potential trade distortions between electricity markets, presented at the XIth European Electricity Regulatory Forum in Rome, September 2004
- CEER 2nd Regulatory Benchmarking Report for the Athens MoU Signatory Parties and Observers, October 2004
- CEER Discussion Paper on the Options for the Transition Phase of the ECSEE Regional Energy Market, November 2004
- CEER Discussion Paper on the South East European Regulators Board for Electricity and Gas, November 2004

Work in Progress:

- (Interim) CEER Report on Balancing Markets: comparison of electricity balancing service tariff structures & technical issues - (WGE - SO TF)
- (Interim) CEER Position Paper on the Transparency of network access and generation -Interim CEER Report, 16 December 2004 (WGE - SO TF)
- (Interim) CEER Paper on the Recommendations and the further work needed on the calculation of cross border capacity, 16 December 2004 (WGE - SO TF)
- CEER Working Paper on the Definition of Guidelines on Inter-TSO compensation (WGE - ITC TF)
- Draft CEER Discussion Paper on the Information needs for the ITC mechanism, 16 December 2004 (WGE - ITC TF)
- Internal CEER Status Report on the Key elements for the long-term ITC mechanism, 16 December 2004 (WGE - ITC TF)

- CEER Internal Working Paper on the "Criteria and the procedure to be developed by TSOs to determine if a new internal reinforcement has to be considered as a domestic or a cross border investment and the involved TSOs", 16 December 2004 (Elnfra TF)
- CEER Internal Working Paper on "Indicative guidelines to implement a tendering procedure for cross border investments which will be developed taking into consideration the existing experience in diverse Member States in this regard", 16 December 2004 (Elnfra TF)
- CEER Internal Working Paper on the "Definition of the information that has to be made available to potential network investors", 16 December 2004 (Elnfra TF)
- CEER Working Paper "Gas Balancing Report", (Gas Balancing TF)
- Draft Report "Investment in Gas Infrastructures and the role of EU National Regulatory Authorities", (GWG)
- Draft CEER Position Paper on synergies and strategic dependencies of electricity and gas balancing issues (SEM WG)
- Draft CEER Paper on the design and implementation of the wholesale energy market (started by REM TF - to be taken forward by the GWG in 2005)
- Draft CEER paper on "Regional Market Definition", draft August 2004 (REMTF)
- CEER Policy Paper on the experience of the development of regional markets and hub-based trading (REM TF - to be taken forward by the GWG in 2005)
- Draft Report on Competition Assessment in the Energy Sector: selected issues (CUM TF), December 2004
- Draft CEER Road Map Strategy Paper on Interactions between regional energy markets (REM TF)
- Draft paper: Towards an Action Plan for the implementation of the Standard Market Design for the SEE Regional Electricity Market (SEEER WG - Market Investment & Facilitation TF)
- Updated version of Standard Market Design Discussion Paper (SEEER WG - Market Investment & Facilitation TF)
- South East Europe Gas Market Survey (SEEER WG -Gas TF)



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