

**CEER**

**Council of European  
Energy Regulators**



Fostering energy markets, empowering consumers.

# What Regulators Stood for in the First Half of 2021

**European Policy Unit**

**19 July 2021**

## First half of 2021 for CEER...



### **CUSTOMERS & RETAIL MARKETS**

1 document

### **GAS DECARBONISATION**

3 documents



### **CROSS-SECTORAL**

6 documents

### **ELECTRICITY**

2 documents



### **ADVOCACY WORK**

6 public consultation  
responses

The introductory part of this review is dedicated to CEER's main messages for energy sector in 1<sup>st</sup> half of 2021. These messages are in line with our [policy strategy](#) which guides CEER's deliverables and activities throughout the year.

# Our main messages for the first half of 2021!



## **CUSTOMERS AND RETAIL MARKETS**

- If done correctly, the new “switching package” information as a result of the CEP may increase consumer flexibility and decrease practical barriers to switching.
- Regulatory tools must be used flexibly in a way for the benefit of all consumers, who should be empowered to actively participate in and contribute to the energy transition.
- Regulators are committed to playing their part and billing information should help energy consumers to be more energy efficient.
- Provisions on consumer rights and protection for gas consumers need to be updated and brought into line with those that have been adopted for electricity consumers.



## **CROSS-SECTORAL**

- The scrutiny by National Regulatory Authorities (NRAs) for Projects of Common Interest (PCI) implementation should be ensured by giving them all the means to objectively assess projects to the best of their ability and based on the data available.
- Well-functioning energy markets increase the resilience of the overall energy system, which have continued to function properly throughout the pandemic.
- Regulators highlight the importance of access to and interoperability of data, both consumer data as well as data used and shared by system operators.



## ELECTRICITY

- The long-term investment challenges in the context of the energy transition seem to be primarily linked to exacerbated market distortions rather than only to the arrival of medium or low variable costs, even if these new means of production intensify the problem.
- The weighted average support level for technologies from renewable energy sources (RES) remains rather stable over the past few years. But support cost data on newly-installed RES plants is still largely unavailable, making it difficult to analyse the cost development for newly installed RES capacities falling under the current support schemes.
- Market-based procurement of flexibility is one very important option which could allow for a substantial benefit in the distribution grid, contributing to its further development to support as renewable, reliant and efficient an energy supply as possible.



## GAS DECARBONISATION

- Consider a gradual approach to the regulation of hydrogen networks in line with market development.
- Establish a comprehensive terminology for different types of gases and an EU system of certification needs to be developed.
- Respect the beneficiary-pays principle for infrastructure investments.
- Define cost-reflective network tariffs, which should be applied to comparable activities across the electricity and gas sectors in a technologically-neutral way.
- Establish a level playing field between long-term storage and other seasonal adequacy approaches (i.e. excess generation assets, flexibility and storage).

## 1 CEER proposals on customer and retail markets issues

CEER has so far in 2021 published **1 document** which relates to customer and retail markets issues.

### **Billing Issues in the Clean Energy for All Europeans Package<sup>1</sup>**

In this document, CEER developed an overview of the current EU legislation regarding billing and billing information. Furthermore, the report opens a discussion on future issues related to changing markets/technologies and new information flows.

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*If done correctly, the new “switching package” information may increase consumer flexibility and decrease practical barriers to switching.*

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- Prioritisation and reduction increasingly become necessities in order to achieve a consumer-friendly bill, where key information is not “buried” in a mass of content.
- In order to prioritise and reduce, the focus needs to be put on the most important information items, in order to keep bills clear, concise and transparent for all customers.
- Digital tools should in fact present a real improvement for consumers compared to “classic” paper bills and not add additional barriers.
- If done correctly, the new “switching package” information may increase consumer flexibility and decrease practical barriers to switching.
- Stakeholders in general and consumer protection organisations in particular should protect consumers from economic damage and unfair practices.

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<sup>1</sup> [CEER Report on Billing Issues in the Clean Energy for All Europeans, Ref: C19-CRM-CEM-132-03, 23 March 2021.](#)

## 2 CEER proposals on gas decarbonisation issues

During the first half of 2021, CEER published **3 documents** related to decarbonisation of gas sector.

### White Paper on When and How to Regulate Hydrogen Networks<sup>2</sup>

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*Apply a dynamic regulatory approach based on periodic market monitoring.*

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CEER and ACER, the EU Agency for Cooperation of Energy Regulators, expressed views on when and how to regulate hydrogen networks in the future. They noted that the current situation for discussing possible regulation for the transport of hydrogen is very

different from the situation when regulation for gas and electricity networks was introduced. In the latter cases, when regulation was introduced, gas and electricity networks were already in place in most Member States, while hydrogen infrastructure and market still need to be developed. ACER and CEER recommend consideration of the following issues:

- Consider a gradual approach to the regulation of hydrogen networks in line with market and infrastructure development for hydrogen.
- Apply a dynamic regulatory approach based on periodic market monitoring.
- Clarify the regulatory principles from the outset.
- Foresee temporary regulatory exemptions for existing and new hydrogen infrastructure developed as business-to-business networks.
- Value the benefits of repurposing of gas assets for hydrogen transport.
- Apply cost-reflectivity to avoid cross-subsidisation between the gas and hydrogen network users.

### White Paper on Regulatory Treatment of Power-to-Gas<sup>3</sup>

When addressing the regulation of power-to-gas installations, ACER and CEER recommend consideration of the following issues:

- Revisit the current set of definitions for major activities in the context of integrated gas and electricity sectors.
- Consider investment and management of power-to-gas installations as market-based activities which are open to competition among market players.
- Allow involvement of system operators in the development and operation of power-to-gas installations only in exceptional cases.
- Include power-to-gas installations and their suitable locations in system needs analysis.

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*Network tariffs should not be used to subsidise technologies, activities or users and should provide a level playing field for comparable activities in the context of an integrated energy system.*

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- Define cost-reflective network tariffs, which should be applied to comparable activities across the electricity and gas sectors in a technologically neutral way.
- Avoid distortive effects of taxes and levies on the integrated energy system.
- Ensure traceability of renewable energy throughout the integrated energy system.

## White Paper on Long-Term Storage<sup>4</sup>

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*Regulations should establish a level playing field between long-term storage and other seasonal adequacy approaches (i.e. excess generation assets, flexibility and storage).*

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CEER performed an analysis based on historical data and forecast future generation mixes to estimate long-term storage needs, provided an overview on seasonal adequacy and derived a few high-level policy recommendations.

- The gas storage available today is enough to balance the EU gas and electricity consumption over a year.
- The current gas storage capacity widely exceeds the potential electricity demand for storage until 2040.
- Interconnectors help to reduce short-term flexibility needs but should not significantly reduce the need for long-term storage.
- Power-to-Gas (P2G) facilities, as purely market-driven long-term storage activities, will not be economically viable for a long time to come.
- Regulations should establish a level playing field between long-term storage and other seasonal adequacy approaches (e.g. excess generation assets, flexibility and storage).
- Storage and sector coupling technologies should be integrated in a more detailed way in planning models (e.g. integrated electricity and gas market and network model, Ten-Year Network Development Plan (TYNDP)).

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<sup>2</sup> [ACER/CEER White Paper on When and How to Regulate Hydrogen Networks, 9 February 2021.](#)

<sup>3</sup> [ACER/CEER White Paper on Regulatory Treatment of Power-to-Gas, 11 February 2021.](#)

<sup>4</sup> [CEER White Paper on Long-Term Storage, 19 February 2021.](#)

### 3 CEER proposals on cross-sectoral issues

Since January 2021, CEER has so far published **6 documents** which are cross-sectoral and their aim and conclusions target electricity, gas and customers sectors.

#### Position on Improving Trans-European Energy Networks Regulation<sup>5</sup>

CEER and ACER presented their views on the legislative proposal on the revision of the Trans-European Networks for Energy (TEN-E) Regulation and proposed improvements in terms of implementation, such as ensuring a sound evaluation of projects and NRAs' capacity to effectively decide on cost allocation.

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*The scrutiny of the NRAs for PCI implementation should be ensured by giving them all the means to objectively assess projects to the best of their ability and based on the data available.*

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In ACER and CEER's view, the legislative proposal should be further improved to promote a neutral and independent technical assessment of infrastructure projects, to ensure those projects bringing most benefits for the European Green Deal are supported and to avoid any risks of unjustified costs to European consumers.

- ACER should be empowered to approve and, when needed, amend or request amendments to the European Network of Transmission System Operators' (ENTSOs) cost benefit analysis (CBA) methodologies due to its neutral role and ability to deliver timely and adequate technical skills for assessing the technical aspects of the methodologies.
- All CBA methodologies should be developed in a transparent manner, including an extensive consultation of Member States and all relevant stakeholders.
- To allow a timely preparation of scenarios, the opinion of the European Commission on the draft scenario report and the ENTSOs update of scenarios (Articles 12(6) and 12(7)) do not seem necessary and should be omitted.
- The TEN-E Regulation should deal with offshore planning and the development of offshore grids should be subject to appropriate regulatory scrutiny, in similar terms with onshore grids.
- The scrutiny of the NRAs for PCI implementation should be ensured by giving them all the means to objectively assess projects to the best of their ability and based on the data available.
- The process of selection of Projects of Mutual Interest (PMIs) and the eventual differences with PCIs should be clearly stated in the text of the Regulation.
- Improving the role of NRAs in assessing hydrogen projects and smart gas grids: More neutrality is needed in the planning and CBA definition, with the introduction of more consultation and supervision and definition of responsible organisations for the CBA development, as well as ACER approval.
- Introduce a limited transitional period for natural gas PCIs that are already part of the list that is valid at the entry into force of the revised Regulation.

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<sup>5</sup> [ACER/CEER Position on Improving the Regulation on Guidelines for Trans-European Energy Networks \(TEN-E Regulation\), 5 March 2021.](#)



## Report on Regulatory Frameworks for European Energy Networks<sup>6</sup>

CEER provided a general overview of the regulatory regimes applied in 2020, required efficiency developments and analysed the overall determination of capital costs in EU Member States, Great Britain, Northern Ireland, Iceland and Norway.

Analysis is mainly focused on the calculating an adequate rate of return, the determination of the regulatory asset base (RAB) and the depreciation of assets in the different regulatory regimes.

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*For a deeper analysis of investment conditions, it would be useful to take a closer look at other parameters such as costs per unit, share of CAPEX, TOTEX or the consideration of total costs.*

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- For the method of asset valuation, the weighted average cost of capital (WACC) is the preferred method by many NRAs. Whereas the real WACC was used for the profitability calculation of the re-evaluated assets, the nominal WACC is used for the assets in historical values.
- In gas and electricity regulation, straight line depreciation is applied by most NRAs.
- According to the survey data, almost all NRAs include the fixed assets in the RAB.
- The lifetime of the typical network asset ranges from 30 to 50 years and the majority of the NRAs use the individual depreciation ratio for each type of asset.
- The switch from conventional to renewable energy sources, growing cooperation between (and inside) European energy networks and the integration of smart elements into the networks can be seen as the next challenges for network operators, but also for the national authorities.

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<sup>6</sup> [CEER Report on Regulatory Frameworks for European Energy Networks 2020, Ref: C20-IRB-54-03, 11 March 2021.](#)

## Report of the COVID-19 Pandemic's Effects on the Energy Sector <sup>7</sup>

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*Well-functioning energy markets increase the resilience of the overall energy system, which continue to function properly throughout the pandemic.*

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Regulators highlighted the pandemic's impact on the energy market as a whole and on energy companies in particular. Furthermore, the report summarises approaches from participating countries to protect energy customers during these extraordinary times.

- Adequate coordination and swift exchange of information between the government, the NRA, and industry, as well as with stakeholders in neighbouring countries, have been crucial in addressing the impact of the pandemic on both electricity and gas sectors.
- Adaptation of procedures and deadlines were necessary to enable energy companies to focus on the crisis while being guaranteed legal certainty by the authorities.
- Preventing the disconnection of consumers during periods of acute crisis was crucial. Accordingly, several NRAs identified some temporary ban on disconnection as a good practice.
- Well-functioning energy markets increase the resilience of the overall energy system, which have continued to function properly throughout the pandemic.
- Other than disconnection bans, several countries also introduced other measures intended to support energy consumers including possibilities for consumers to defer or stagger the payment of their energy bills, to change the contracted capacity and to suspend their energy supply contract altogether.
- Several regulators argued that it was necessary to share the burden entailed by the COVID-19 measures taken in favour of energy consumers more widely, and not only with suppliers.
- The switch to generalised teleworking was one of the positive lessons learnt from the health crisis: NRAs were able to maintain normal operations and productivity despite the challenges.

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<sup>7</sup> [First Analysis of the COVID-19 Pandemic's Effects on the Energy Sector, C21-COV-04-04, 29 March 2021.](#)

## Approach to More Dynamic Regulation<sup>8</sup>

The three elements of CEER's 3D Strategy are Digitalisation in the consumer interest; Decarbonisation at least cost; and Dynamic regulation for European solutions for adaptive regulation in a fast-changing world. In CEER's view, Dynamic Regulation might notably be an efficient tool for decarbonisation and digitalisation that is capable of driving growth and innovation within the energy system.

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*There is a need to develop regulatory frameworks that balance the tension between achieving regulatory goals without discouraging innovation.*

- Dynamic Regulation can be defined as “adaptive regulation”, stimulating regulators to be enablers of the adaptation of the energy regulatory framework, in connection with the society-wide digitalisation trend, smart technologies, decarbonisation policies and decentralisation of energy generation.
- There is a need to develop regulatory frameworks that balance the tension between achieving various regulatory goals without discouraging innovation.
- NRAs have set up exchanges of information on cross-sectoral issues (telecoms, transport, postal services, water).
- Regulators already rely on experimental regulatory tools to test and anticipate future evolutions, such as:
  - regulatory sandboxes;
  - pilot projects; or
  - pilot regulations.
- Major trends driving Dynamic Regulation are RES generation, smart technologies such as adaptive thermostats, and other trends e.g. sector coupling, new uses for gas networks and deployment of electric vehicles.
- Consumer involvement is key to support innovation and most NRAs consider consumer views through consultations, transparent discussions or even through dedicated task forces or consultative bodies.

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<sup>8</sup> [CEER Approach to More Dynamic Regulation, Ref: C21-RBM-28-04, 8 April 2021.](#)

## Report on Monitoring NRAs' Independence<sup>9</sup>

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*Regulatory authorities should be granted the power to contribute to ensuring high standards of universal and public service obligations in accordance with market opening, the protection of vulnerable customers, and the full effectiveness of consumer protection measures.*

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CEER mapped energy regulators' powers, resources, accountability and independence based on the current EU legislation, in particular the requirements contained in the Clean Energy Package. Furthermore, the report investigates rules that are imposed on regulators (e.g. by law) and the arrangements and organisational decisions NRAs have taken themselves.

- Regulators indicated that they have a clear status of “independent bodies” with tasks and duties precisely defined in legislation.
- Governmental interference in regulatory decision-making is very limited and mainly relates to NRA long-term strategies or work programmes, but does not affect the regulators' core and daily business.
- Most of the NRAs indicated having sufficient financial and personnel resources at their disposal to fulfil their tasks. But 1/3 of NRAs highlighted a lack of resources (funding), which in their view is not consistent with NRA independence principles.
- Most of the NRAs receive their financial resources from market participants via fees and other contributions; the remaining NRA budgets are either granted as part of the state budgets or represent a mixed budget including both state funding as well as resources from market participants.
- Regulators are well-equipped with the legal power to request and set a deadline for the provision of information from regulated entities by compulsory process.
- Regulatory authorities should be granted the power to contribute to ensuring high standards of universal and public service obligations in accordance with market opening, the protection of vulnerable customers, and the full effectiveness of consumer protection measures.

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<sup>9</sup> [CEER Report on Monitoring NRAs' Independence. Ref: C20-RBM-23-04, 26 April 2021.](#)

## 2022-2025 Strategy Empowering Consumers for the Energy Transition<sup>10</sup>

This document presents a new CEER strategy which will go into effect next year and be valid through 2025. The basis of the Strategy is that European energy regulators, with a view to promoting the energy transition and contributing to a carbon-neutral society and economy, are committed to “empowering consumers for the energy transition”, by **enabling energy system integration, placing consumers at the centre of energy markets with consumer-centric dynamic regulation and ensuring open, well-functioning and resilient markets nationally and in Europe**. The “CEER-BEUC 2030 Vision for Energy Consumers”<sup>11</sup> is incorporated in this. A major trend influencing CEER’s work is climate change and the policies and actions necessary to ensure reaching a climate-neutral economy and society.

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*Regulatory tools must be used flexibly in a way for the benefit of all consumers who should be empowered to actively participate in and contribute to the energy transition.*

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- Enable energy system integration through pursuing an innovative and flexible whole system approach involving all actors whose roles, at the same time, will more and more converge in the changing environment.
- Regulatory tools must be used flexibly in a way such that fast-evolving markets deliver on targets for the benefit of all consumers.
- Those consumers should be empowered to actively participate in and contribute to the energy transition.
- Regulation should be adapted in a way that balances the tension between achieving regulatory goals without discouraging innovation.
- Regulation must be stable but never static.
- Regulators commit to apply dynamic regulation in a way that supports the energy transition.

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<sup>10</sup> [CEER 2022-2025 Strategy Empowering Consumers for the Energy Transition, Ref: C21-SSG-06-05, 10 June 2021.](#)

<sup>11</sup> [CEER-BEUC 2030 Vision for Energy Consumers: LET’S ASPIRE](#), 13 October 2020.

## 4 CEER proposals on electricity regulatory issues

During the first half of 2021, CEER published **2 documents** related to the electricity sector.

### Long-Term Generation Investment Signals in a Market with High Shares of Renewables<sup>12</sup>

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*Actions must be clear, transparent, credible and predictable in order to help attract investment and to avoid increasing uncertainty.*

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CEER investigated whether the market framework currently in place in Europe is fit for the steady development of renewable energy, and if it will carry the necessary long-term generation investment signals.

- The long-term investment challenges in the context of the energy transition seem to primarily be linked to exacerbated market distortions rather than only to the arrival of medium or low variable costs, even if these new means of production intensify the problem.
- Member States and regulators should give priority to eliminating as many market failures as possible.
- Actions must be clear, transparent, credible and predictable in order to help attract investment and to avoid increasing uncertainty.
- There is the possibility for NRAs and Member States to go further in promoting the efficiency of the system in order to ensure, in addition to the respect of long-term adequacy, the establishment of a system architecture that maximises benefits to the community.

### Status Review of Renewable Support Schemes in Europe for 2018 and 2019<sup>13</sup>

CEER collected comparable data on renewable energy sources (RES) support in Europe in order to provide policymakers, regulators and industry participants with information on support schemes for electricity from RES, by technology and type of instrument.

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*The proportion of gross electricity produced receiving RES support differs widely from one country to another ranging from 3.8% to 66%, with an average across countries of approximately 19% in 2018.*

- Support cost data on newly installed RES plants is still largely unavailable, which makes it difficult to analyse the cost development for newly installed RES capacities falling under the current support schemes.

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<sup>12</sup> [CEER report on Long-Term Generation Investment Signals in a Market with High Shares of Renewables, Ref: C21-FP-49-03, 5 May 2021.](#)

<sup>13</sup> [CEER Status Review of Renewable Support Schemes in Europe for 2018 and 2019, Ref: C20-RES-69-04, 28 June 2021.](#)

- The average indicated market value for 2017 was 40.37 €/MWh and for 2019 it was 49.57 €/MWh, which would indicate a declining need for support.
- A wide range of instruments is used to promote RES, such as investment grants, Feed-in-Tariff (FIT), Feed-in-Premium (FIP), and Green Certificates (GCs).
- It is not uncommon that RES plants have the same financial responsibility as conventional plants for electricity balancing, at least above a certain threshold of capacity installed.
- The proportion of gross electricity produced receiving RES support differs widely from one country to another ranging from 3.8% to 66%, with an average across countries of approximately 19% in 2018.

## 5 CEER advocacy work

In first half of 2021, CEER responded to **6 public consultations/requests for input**. Below, we present topics and main messages submitted to the European Commission.

<p>Response to the Commission's <a href="#">Public consultation on the priority list for the establishment of gas network codes and guidelines</a></p>	<p>29 January 2021</p>
<ul style="list-style-type: none"> <li>• CEER echoes the importance of completing the full implementation of the existing Network Codes (NCs), in particular the Gas Tariffs NC.</li> <li>• CEER sees room for a reflection on how cybersecurity could be ensured for gas(es), and not only electricity.</li> <li>• Regulators are of the opinion that a minimum level of cybersecurity is a prerequisite for the increase in data exchange necessary in the future to facilitate large-scale integration of renewable energy sources (RES).</li> <li>• Cost-efficient deployment based on adequate concepts and hardware is in the interest of all consumers.</li> <li>• CEER underlines that flexibility should be seen with a wider lens, in the context of an integrated energy system which considers all forms of flexibility and takes into account the emergence of new technologies and new forms of gases.</li> <li>• Looking further into the future, CEER believes it may also be relevant to review the applicability of gas network codes (NCs) should large-scale hydrogen transport networks emerge, in order to ensure they respect general regulatory and market principles of the EU's internal energy market.</li> <li>• Regulators reiterate that Transmission System Operators (TSOs) should consider developing harmonised counterparty risk management policy at European level and set up a centralised EU database on creditworthiness and market behaviour accessible to TSOs, NRAs, ACER and the ENTSOG in order to avoid that the costs of fraud and/or default are socialised.</li> </ul>	
<p>Response to the Commission's <a href="#">Public Consultation on the EU energy efficiency directive (EED)</a></p>	<p>9 February 2021</p>
<ul style="list-style-type: none"> <li>• Regulators are committed to playing their part and encourage all energy consumers to be more energy efficient.</li> <li>• Cost-reflective tariffs and prices, based on actual – not estimated – individual metering, as well as encouraging demand-side participation are cornerstones.</li> <li>• Reducing power losses contributes to greater energy efficiency and security of supply and is an important goal, not least because the costs of power losses are often passed on to consumers.</li> <li>• CEER states that energy efficiency has improved but not enough to meet the targets.</li> <li>• Regulators underline the importance of ensuring that energy efficiency advice and measures reach those who most need it.</li> </ul>	



<ul style="list-style-type: none"> <li>• CEER reiterates the importance of access to energy consumption information (for electricity, gas and heating), in order for consumers to manage their consumption and adopt efficient (and cost-saving) behaviour.</li> <li>• On the demand side, more needs to be done to ensure that externalities are reflected and valued for their cost/benefit to the energy system.</li> </ul>	
<p>Response to the Commission's <a href="#">Public Consultation on the EU renewable energy rules – review</a></p>	
<ul style="list-style-type: none"> <li>• A comprehensive terminology for different types of gases and a EU system of certification needs to be developed.</li> <li>• The directive should aim to improve consumer awareness about the sources of energy consumed in a given year &amp; month.</li> <li>• Art. 19.11 needs further guidance as it could be interpreted that Guarantees of Origin (GOs) can be used for disclosure purposes only if issued in countries with which there is direct import/export of physical energy.</li> <li>• Renewable liquid fuels are key for decarbonising hard-to-abate sectors (maritime, aviation, etc.).</li> <li>• The criteria for e-fuels should be reconsidered to give hydrogen realistic chances play out its benefits in the mobility sector.</li> </ul>	<p>12 February 2021</p>
<p>Input on <a href="#">the Hydrogen and Gas markets decarbonisation package Combined Evaluation Roadmap / Inception Impact Assessment</a></p>	
<ul style="list-style-type: none"> <li>• The need for regulatory intervention for hydrogen network infrastructure will depend on how the hydrogen sector will evolve, including the need for transport of hydrogen.</li> <li>• Energy regulators advocate for a gradual approach to the regulation of hydrogen networks in line with market development.</li> <li>• CEER agrees that, as a relatively low-cost option, existing gas infrastructure could be repurposed for the use of hydrogen transport when no longer needed for natural gas and that barriers for their repurposing be removed.</li> <li>• Regulators are of the view that investment in and management of power-to-gas installations should be market-based activities which are open to competition among market players.</li> <li>• TSOs/DSOs may invest in power-to-gas installations only if this is necessary to guarantee secure, reliable and efficient network operations and if no other market party is willing to carry out the investment.</li> <li>• CEER considers it important to ensure the traceability of renewable energy throughout the integrated energy system.</li> <li>• Provisions on consumer rights and protection for gas consumers need to be updated and brought into line with those that have been adopted for electricity consumers.</li> <li>• The TYNDP guidelines should be binding on ENTSOs and developed by ACER, focusing on how the TYNDP is to be developed in terms of admission criteria for projects, process, stakeholder consultation and required outputs.</li> </ul>	<p>9 March 2021</p>

<ul style="list-style-type: none"> <li>• CEER notes that, in addition to the aspects of integrated planning, issues related to integrated management and operation of the gas and electricity systems should be further assessed and considered.</li> <li>• CEER believes that network tariffs should be cost-reflective, and should be applied to comparable activities across the electricity and gas sectors in a technologically-neutral way.</li> </ul>	
<p>Response to the European Commission's <a href="#">ASSET Study on Regulatory Priorities for Enabling Demand Side Flexibility</a></p>	<p>18 May 2021</p>
<ul style="list-style-type: none"> <li>• CEER considers market-based procurement of flexibility as one very important option which could allow for a substantial benefit in the distribution grid, contributing to its further development to support as renewable, reliant and efficient an energy supply as possible.</li> <li>• DSF or other flexibility sources and options other than market-based procurement to assess flexibility should be favoured to network reinforcement when relevant and economically preferable.</li> <li>• A congestion needs to be of cross-border relevance in order to benefit from coordinated congestion management, as stipulated in Article 76 of the System Operation Guideline.</li> <li>• It is necessary to take experience of NC implementation into account before amending existing NCs or establishing new NCs.</li> </ul>	
<p>Response to the Commission's <a href="#">Public Consultation on the Hydrogen and Gas Market Decarbonisation Package</a></p>	<p>22 June 2021</p>
<ul style="list-style-type: none"> <li>• Adopt a gradual and flexible regulatory approach to developments related to hydrogen.</li> <li>• Continue to improve the performance of the gas market.</li> <li>• Guarantee consumer rights regardless of the energy carrier.</li> <li>• Enhance NRAs'/ACER oversight of integrated infrastructure planning. It is crucial to strengthen the power of approval and oversight of NRAs and ACER over the activities of regulated operators and ENTSOs.</li> <li>• Apply a no-regrets policy for investment decisions. Building new regulated infrastructure for renewable gases, such as hydrogen, as well as repurposing gas infrastructure, should always follow the principles of cost efficiency and effectiveness, for the benefit of consumers.</li> <li>• Respect the beneficiary-pays principle for infrastructure investments.</li> </ul>	

## About CEER

The Council of European Energy Regulators (CEER) is the voice of Europe's national energy regulators. CEER's members and observers comprise 39 national energy regulatory authorities (NRAs) from across Europe.

CEER is legally established as a not-for-profit association under Belgian law, with a small Secretariat based in Brussels to assist the organisation.

CEER supports its NRA members/observers in their responsibilities, sharing experience and developing regulatory capacity and best practices. It does so by facilitating expert working group meetings, hosting workshops and events, supporting the development and publication of regulatory papers, and through an in-house Training Academy. Through CEER, European 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.

In terms of policy, CEER actively promotes an investment friendly, harmonised regulatory environment and the consistent application of existing EU legislation. A key objective of CEER is to facilitate the creation of a single, competitive, efficient and sustainable Internal Energy Market in Europe that works in the consumer interest.

Specifically, CEER deals with a range of energy regulatory issues including wholesale and retail markets; consumer issues; distribution networks; smart grids; flexibility; sustainability; and international cooperation.

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

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