

CEER

**Council of European
Energy Regulators**



Fostering energy markets, empowering **consumers**.

Draft CEER 2017 Work Programme
Public consultation document

Ref: C16-WPDC-28-05

14 June 2016



INFORMATION PAGE

Abstract

On 14 June 2016, European energy regulators launched a public consultation on the draft CEER 2017 Work Programme (Ref. C16-WPDC-28-05). This document outlines CEER's work plan for 2017, centered on four strategic focus areas.

Target audience

Energy suppliers, traders, electricity and gas customers, electricity and gas industry, consumer representative groups, network operators, Member States, academics and all other interested parties.

How to respond to this consultation

Deadline: **31 July 2016**

This public consultation is carried out through a dedicated [online questionnaire](#) on the European energy regulators' website. No login is required.

If you have any queries relating to this consultation paper or the online consultation, please contact:

CEER Secretariat
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Email: brussels@ceer.eu

All responses except confidential material will be published on the website www.ceer.eu

Treatment of confidential responses

In the interest of transparency, Council of European Energy Regulators (CEER):

- i. will list the names of all respondents (whether confidential or not) or, alternatively, make public the number (but not the names) of confidential responses received;
- ii. request that any respondent requesting confidentiality submit those confidential aspects of their response by marking them as "confidential" in the online questionnaire. CEER will publish all parts of responses that are not marked confidential.

This CEER public consultation is carried out in line with the [Guidelines on CEER's Public Consultation Practices](#).



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1. INTRODUCTION

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

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

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

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

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

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

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



Public consultation and further process

We invite comments on the CEER draft Work Programme **by 31 July 2016**. CEER's annual Customer Conference (11 July 2016) will be an opportunity to provide views orally on CEER's draft Work Programme for 2017.

Stakeholders are invited to participate in the public consultation via a dedicated [online questionnaire](#) in the [public consultation section](#) of the CEER website. Please note that only answers submitted via the on-line questionnaire will be taken into consideration.

Following the close of the public consultation, as well as any feedback received at the CEER Customer Conference, CEER will review its draft proposals and develop a final work programme. The finalised version of the CEER 2017 Work Programme may therefore change in several respects as compared to this version, drawing from the stakeholder input and depending on internal considerations and developments, including the availability of expert resources among our members.

For more information about CEER and our work, please visit our website www.ceer.eu



2. OUR PRIORITIES IN 2017

CEER will continue to concentrate on enhancing the capability of European National Regulatory Authorities (NRAs) to fulfil effectively their individual responsibilities for achieving a competitive, sustainable and secure energy market in Europe. CEER will also continue to engage fully with policy makers to help in the development of a sound and sustainable single European energy market. CEER will enhance collaboration between member NRAs to share experiences and to identify good regulatory practices. CEER will continue to engage in international collaboration with NRAs and important energy stakeholders outside of the EU. We will explore with interested parties the possibility of CEER providing capacity building assistance relating to good regulatory practices.

CEER's priorities for 2017 will continue to emphasise the increasingly active involvement of customers in the development of energy markets. We will continue to encourage retail market competition and to foster appropriate levels of consumer protection in an evolving European market. Besides our ongoing collaboration with consumer bodies and supporters of the CEER-BEUC 2020 Vision, CEER will enhance its dialogue and collaboration with the mandated authorities responsible for supporting (and protecting) energy consumer rights (such as ombudsmen, data privacy authorities and consumer protection authorities).

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

We will also continue to develop our international relations with regulators across Europe and globally to exchange experiences and to respond to the growing interaction between the European internal energy market and its neighbouring markets.

2.1 CONSUMERS AND RETAIL MARKETS

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

CEER will continue to pursue the priorities relating to consumers set out in the Bridge to 2025 conclusions documents. In particular we will set out a holistic framework for the various aspects which constitute a well-functioning retail market with the aim of providing a level playing field for competitive service providers.



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

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

CEER will hold its annual Customer Conference on 11 July 2016 which will provide a further opportunity for stakeholders to offer views on CEER's proposed Work Programme for 2017.

2.2 NEW LEGISLATIVE/POLICY DEVELOPMENTS

Through CEER, European energy regulators are committed to serving as valued partners for the European Institutions in their shaping of energy policy and legislative proposals. CEER will continue to interact with, and input to, the European Commission, in particular concerning initiatives which impact energy markets, such as the Winter Package. We also remain committed to working with and advising the European Commission on regulatory aspects in a range of areas, including wholesale and retail markets, smart grids and consumer rights.

2.3 THE ROLE OF DISTRIBUTION SYSTEM OPERATORS

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

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

2.4 INTERNATIONAL WORK

Developments beyond the borders of the European Union can significantly affect the



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

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

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

2.5 OTHER WORK AREAS

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

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

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

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



3. OUR PROCESS FOR THE 2017 WORK PROGRAMME

CEER has established a practice of publicly consulting on its proposed deliverables. We are seeking views on the draft CEER Work Programme in June and July 2016.

The [online questionnaire](#) for this consultation is available on the CEER website and will remain open until 31 July 2016. Following a review of the comments received to this consultation CEER aims to publish its final 2017 Work Programme in January 2017.

4. QUESTIONS FOR CONSULTATION

The purpose of this public consultation is to increase transparency and to provide us with valuable feedback from stakeholders. The present document will be open for public consultation **until 31 July 2016**.

We would in particular be interested in views on the following **questions for public consultation**:

- The CEER Work Programme currently has four priority areas: consumers and retail markets, new legislative/policy developments, the role of distribution system operators and international work. Do you support that these areas should be the priorities or should some areas be deleted and others included?
- Within each priority area, do you think the Work Programme focuses on the right deliverables or should some be deleted or added?
- On the individual deliverables (listed in section 5 of the consultation paper):
 - Please indicate the deliverables you consider as “very important”, “important” or “not important”.
 - Do you have any specific comments on any of the individual deliverables?

Stakeholders are invited to participate in the public consultation via a dedicated [online questionnaire](#) on the CEER website.



5. CEER WORK ITEMS IN 2017

#	Sector	Title	Description	Bridge related	Timeline*	
					Start	End
1	Consumers and retail markets	Consumer protection and empowerment chapter of the 2016 ACER/CEER Market Monitoring Report	As part of the ACER-CEER MMR, this chapter looks into the functioning of retail energy markets from the customer perspective. It is based on the results of monitoring the retail energy markets on topics such as complaint handling, switching and billing processes, customer information and protection of vulnerable customers. The aim is to identify market distortions through monitoring of the processes and outcomes of the retail energy market. This deliverable can also provide input for the process of harmonisation at European level. CEER will aim at including metrics as described in the 2015 Position Paper on Well-functioning Retail Energy Markets and the Handbook of harmonised definitions of retail market metrics being developed in 2016.	Bridge related	Q4 2016	Q4 2017
2	Consumers and retail markets	Update of the Guidelines of Good Practice on Retail Energy Market Design	As concluded in the Bridge to 2025 document, CEER will establish a set of key features of retail market design, taking into account national structural differences, in order to provide a level playing field for suppliers, and other retailers, e.g. energy efficiency and flexibility service providers, as well as enabling consumer engagement as prosumers. CEER intends to develop a holistic framework for a well-functioning retail energy markets. The proposed design should clarify the role of stakeholders as well as the interface between service providers and customers for key processes, and ensure that vulnerable customers are not disadvantaged or overlooked. In addition, CEER should propose a roadmap to secure a reliable supplier switching within 24 hours. This update of the GGP would deal with key features of the retail market design, extending the GGP to new market players (e.g. data hubs, aggregators etc.) and new technologies such as smart metering and smart homes. CEER will aim at updating the GGP with attention being given to the process of digitalisation and innovation. CEER will take into account electricity market design, including retail markets discussion paper together with other relevant documents from the European Commission.	Bridge related	Q4 2017	2018



#	Sector	Title	Description	Bridge related	Timeline*	
					Start	End
3	Consumers and retail markets	Follow up on the Position Paper on well-functioning retail energy markets and the Handbook of harmonised definitions of metrics	In 2017, CEER will guide NRAs through the process of self-assessment according to the metrics identified in the Position Paper on Well-functioning Retail Energy Markets and defined in the Handbook. Following the self-assessment, NRAs will identify the problems in their respective countries and how to improve their situation. The self-assessments may have a regional focus to examine the scope of the potential for retail market integration at regional level (e.g. NordREG).	Bridge related	Q4 2016	2018
4	Consumers and retail markets	Report on how smart technologies and customer meter data models can increase customer engagement in energy markets	The report will serve as a base for CEER to build further positions to feed into ECs work. It will create value and visibility to CEER by gathering national experiences with proven results from NRAs, customer organisations and the academy. It would also serve as a best practice platform where NRAs could benefit from the knowledge of other NRAs as well as academic results around Europe.	Bridge related	Q1 2017	Q4 2017
5	Electricity	Guidelines of Good Practice on RES Auctions Design	Auctions are increasingly signalled as the preferred method to allocate support to RES producers as opposed to traditional administrative methods. A tool kit of recommendations and good practices could be compiled as a guide for regulators exploring or seeking to improve this technique.	Bridge related	Q1 2017	Q4 2017
6	Electricity	Proposals to overcome difficulties in the implementation of cooperation mechanisms (joint projects / support schemes)	Co-operation mechanisms, and especially joint projects or support mechanisms shared by various MSs, have developed slowly and there are limited experiences. CEER will explore incentives and proposals that could be devised to develop such mechanisms. A focus could be put on the design of cross border auctions.		Q1 2017	Q3 2017
7	Gas	Report on International Gas Markets: the Future of Natural Gas	The report will offer a strategic look at natural gas following recent developments, such as COP21 agreement, oil price trends, LNG and shale market developments and will analyse a number of existing scenarios. In particular, it will consider the implications of each scenario for the regulation of European gas markets.	Bridge related	Q1 2017	Q4 2017



#	Sector	Title	Description	Bridge related	Timeline*	
					Start	End
8	Gas	Status Review on application of the Supply Standard foreseen in the Security of Supply (SoS) Regulation	As a follow-up to CEER Position Paper on the SoS Regulation and the requirements in the Regulation regarding the supply standard, CEER will undertake a status review of the application of this standard at national level, to identify current approaches and areas for exchange of experience.	Bridge related	Q2 2017	Q4 2017
9	Gas	Report on Removing Barriers to LNG in European Gas Markets	This report will provide a comprehensive review of key regulatory mechanisms and rules (including capacity allocation and congestion management, balancing and gas transactions, international LNG developments and market evolution), with a view to identifying persisting barriers and developing recommendations on their removal.	Bridge related	Q1 2017	Q4 2017
10	Gas	Status Review on the Development of Europe's Gas Storage Market	Building on previous recommendations in this area (2015 Vision for Regulatory Arrangements for gas storage; GSE-CEER Transparency Template, 2011 Guidelines of Good Practice on capacity allocation and congestion management, etc.), CEER will review current status and make any necessary recommendations for further optimisation. Recent developments and changes to the legislative landscape, following revision of the SoS Gas Regulation will be taken into account.	Bridge related	Q1 2017	Q3 2017
11	Cross-sectoral	Guidelines of Good Practice on Distribution Network Tariffs	CEER's Conclusions Paper on 'The Future Role of DSO's' stated our commitment to analyse the benefits of different approaches to both use of system and the network tariffs and to ensure that network tariffs are not a barrier to demand side response. The importance of network tariffs was also mentioned in ACER's 'Bridge to 2025' document. The purpose of the document is to develop guidelines on how different network tariff structures, decided or incentivised by NRA's, may be used to manage future distribution network challenges such as increased use of self-consumption and integration of RES on local level. This deliverable is part of developing a toolbox for the regulation of DSOs to ensure the market is not foreclosed.	Bridge related	Q1 2017	Q3 2017



#	Sector	Title	Description	Bridge related	Timeline*	
					Start	End
12	Cross-sectoral	Guidelines of Good Practice on Incentives Schemes including Innovation - Conclusions paper	The final document will help NRAs to improve regulation, ensuring that distribution network services to consumers are optimal given a rapidly changing environment and that bridges are built between the current and the future role of DSOs. This deliverable is part of developing a toolbox for the regulation of DSOs to ensure the market is not foreclosed.	Bridge related	Ongoing	Q1 2017
13	Cross-sectoral	Guidelines of Good Practice on Flexibility Use at Distribution Level	Flexibility is a crosscutting issue that needs to be considered with regard to both markets and networks. The purpose of producing these CEER guidelines is to assess flexibility from a distribution network management/ development perspective. This will contribute to a comprehensive approach to the flexibility issue. The end goal is to encourage harmonisation of a European wide approach to the use of flexibility by DSOs. The aim of the document is to provide guidelines for NRAs on how to stimulate flexibility use by DSOs when it is most efficient, but with minimal distortion to markets and competition. This deliverable is part of developing a toolbox for the regulation of DSOs to ensure the market is not foreclosed.	Bridge related	Ongoing	Q3 2017
14	Cross-sectoral	Report on New Services and Associated Activities for DSOs	The deliverable will look at and consider the impact on regulation of emerging services and associated activities that may impact the role of DSOs. This deliverable is part of developing a toolbox for the regulation of DSOs to ensure the market is not foreclosed.	Bridge related	Q2 2017	2018
15	Cross-sectoral	Report on Investment Conditions 2017	Each year CEER provides an overview of the role of energy regulation in the overall investment environment. The analysis will deliver a general survey about the implemented regulatory regimes, the demanded efficiency developments and analyses the overall determination of capital costs.		Q1 2017	Q4 2017

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