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GDF SUEZ answers to CEER consultation on
CEER 2013 work programme
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GDF SUEZ welcomes the draft working programme of CEER for 2013. Our view is that this programme focuses on the **satisfaction of the final consumer** with regard to various changes that have occurred in market regulation. This work appears to us as important to the extent that every EU citizen must be able to measure the benefits derived from opening markets. In particular, suppliers must give to their consumers clear and transparent information as it is the subject of your section n°5.

The section n°6 provides a monitoring of the practices for retail prices in electricity and gas as well as for conditions to network access. For GDF SUEZ Group this work seems essential for an open European market too. Some member states do not allow suppliers to pass their costs onto final prices. This endangers the financial balance of concerned enterprises, does not allow fair competition and cannot be a lasting solution.

Regarding network access tariffs, some member states do not remunerate in a fair way the regulated asset basis of the transmission or distribution operators. This is clearly for shareholders and infrastructure operators a disincentive to invest. At a time when the EU needs massive investments in the energy field, a stable, predictable and attractive regulation must be guaranteed for investors.

We are confident that the CEER monitoring report will be likely to bring out these points and determine best practices.

In the section 10, CEER intends to analyse how smart technology would make electricity more cost-effective. Although we agree with this aim, we believe it is also necessary to realize that “smart meters” could be used for another purpose : they also could be used by suppliers or market aggregators to increase the demand side participation of customers. Both purposes are not necessarily co-existent or complementary, and therefore clear rules will be necessary to determine for what purpose the smart tools will be used : for grid management or for market management, whereby our initial view is that suppliers buy from customers some flexibility they could use for their own flexibility needs to respect their own balancing position and other supplier obligations, and / or to offer partly this flexibility to the DSO.

With regards the section 12 on storage devices need, we would appreciate it if CEER completes its analysis with a discussion around the unbundling status of storage devices in distribution grids, at least when these devices would be operated by DSOs themselves. In our view, DSO could be asset owner of storage devices, but they should buy/sell energy to/from these storages only for system reasons, and not with the aim to optimize them as a market player would do.

Sections 13 to 16 provide a monitoring of the implementation of the target gas model, and, in particular, some network codes. For GDF SUEZ Group this work seems premature for 2013. First of all, we remind that the Gas Target Model is a non binding concept; the concrete rules come from the network codes, and the operators and stakeholders should comply with these rules inserted in the network codes.

Concerning the network codes, GDF SUEZ considers this work as premature. It is aimed that the 5 main network codes become operational by late 2014. The first network code "CMP" has just completed its first phase of comitology and only part of the code will be implemented in October 2013. **Therefore, the tasks mentioned under sections 13 to 16 should, in our view, be pushed back**

beyond 2014, when the five major codes (CPM, CAM, interoperability, balancing and prices) will be implemented.

More globally GDF SUEZ would like to emphasize the need for a coordinated effort between CEER and ACER with regard to streamlining the data reporting obligations upon energy market actors, as a result of current and ongoing new or changing regulatory initiatives. Reporting obligations should be proportional with the aim of regulation and consider, amongst other, the operational and administrative burdens, and the related costs, for all parties involved in such reporting obligations. **Market transparency is best served by efficient, non-duplicative reporting by all participants.**

We wish CEER much success with its ambitious work programme. We welcome the joint effort of coherence between CEER and ACER. It is absolutely essential that the work programmes of both organizations are consistent and coordinated. We are confident to have a good cooperation and are available for further clarifications if needed to our comments.