

**ACER**



Agency for the Cooperation  
of Energy Regulators

# **The Bridge beyond 2025**

## **PC\_2019\_G\_06**

### **Responses to the public consultation**

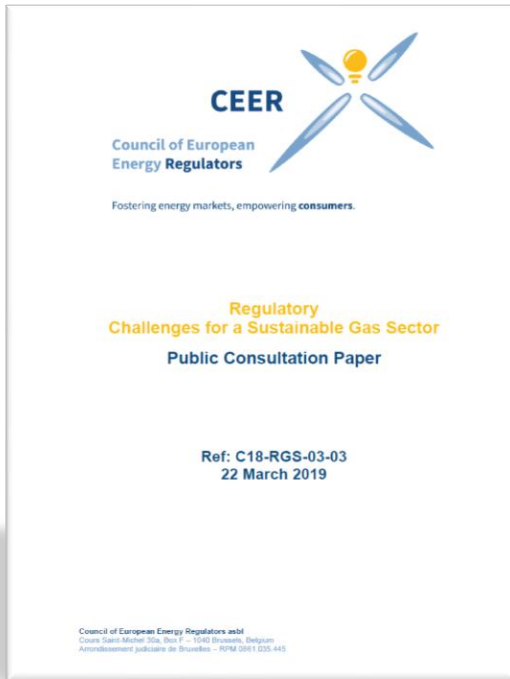
**CEER**



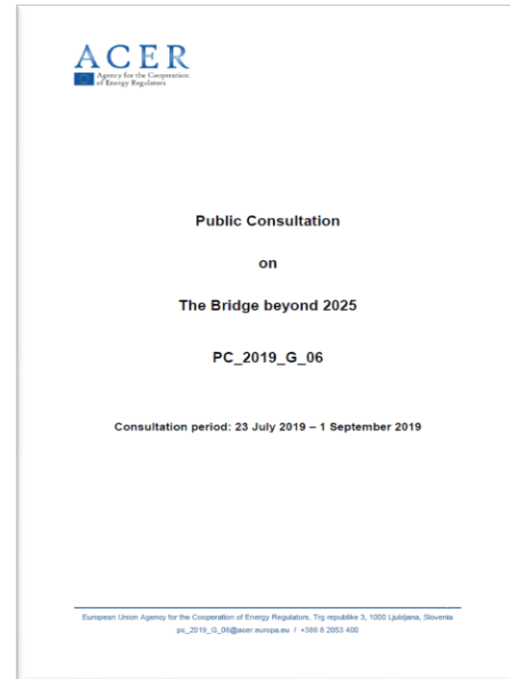
Council of European  
Energy Regulators

**Madrid Forum**  
**23-24 October 2019**

- CEER and ACER joint conclusions paper



73 responses



69 responses

Access and market monitoring

Governance of infrastructure and oversight of existing and new entities

Dynamic regulation for new activities and technologies

Transmission tariffs and cross-border capacity allocation

Other issues raised

- **Market Monitoring as a basis for action**
  - » General agreement on proposed framework for monitoring and action, including use of indicators, problem identification and importance of improvements in market functioning.
  - » Different views on setting key metrics and thresholds, e.g.:
    - GTM metrics to assess the environmental and sustainable impacts and consider long-term decarbonisation targets and consumer protection
    - Include metrics to capture market distortions
    - Include market specificities (e.g. size, available sources, market development and liquidity)
  - » General support for targeted regulation and regulatory toolkit with underlying role for NRAs when assessing gas market development and making decision under regulatory toolkit.
  
- **Liquidity on balancing platforms**
  - » Calls to fully implement the EU acquis and increase market liquidity for balancing
  
- **Administrative and legal requirements**
  - » General agreement for EU-wide recognition of national licenses and for creation of a “black-list”

- **Oversight of regional entities and market areas**
  - » Unanimous support for such oversight
  
- **Institutional and governance arrangements**
  - » General support for increased TSO/DSO cooperation, which may be facilitated by the establishment of an EU DSO entity for gas
  - » Mixed views on ACER approval of ENTSO budgets
  - » Support for mirroring while considering technical specificities of both sectors
  
- **Governance for infrastructure planning**
  - » Mixed support for greater oversight and objective review of TYNDP, scenarios and CBA governance. Opposition of infrastructure operators, more favourable views from other stakeholders.
  - » Mixed support for stronger control over infrastructure planning and ENTSOs to limit the risk of conflict of interest. Opposition of infrastructure operators, more favourable views from other stakeholders.
  - » General recognition of importance of sector coupling
  - » Mixed views on the urgency of addressing the issue of stranded assets. Support for cross-border coordination and efficient risk management

- **Defining new technologies**

- » General support for adopting consistent principles at EU level
- » General support for defining technical standards for connection and gas quality
- » Support for an EU harmonised system of GOs and definition of renewable and decarbonised gases

- **Dynamic regulation for new activities**

- » Support for a technology neutral approach
- » Calls to develop regulatory sandboxes to promote small-scale pilot projects
- » Suggestion to consider space and time when developing dynamic regulation concept
- » Mixed views on the role of TSOs/DSOs in new activities depending on the categories of respondents (market first, tenders, TSO/DSO)

- **Regulation of new networks**

- » Support to regulate hydrogen networks in a similar way to natural gas networks when such networks are developed
- » Support for revising TEN-E Regulation, to include P2G investments and renewable gases
- » Agreement on guaranteeing 3<sup>rd</sup> party access in new hydrogen networks connecting diverse supply and demand
- » Mixed views on thresholds for blending of hydrogen in gas networks
- » Support for establishing neutral entities from a market perspective to collect data

- **Tariffs design**

- » Broad agreement that current design does not seem to be causing major issues on a pan-EU basis but that regional issues may arise (or are already arising, e.g. due to cross-border tariffs hindering trade or differing national implementation of TAR NC)
- » Call for cross-border tariffs to be more cost-reflective
- » Several calls to finalise the current implementation of TAR NC and to monitor its effects on the gas market to assess if and where adjustments might be needed
- » Support for enabling NRAs to elaborate solutions at regional level based on CBA and public consultation with all stakeholders
- » In particular, general welcome for a range of presented options on a voluntary basis at a regional level, including zone mergers and/or allowing the reserve prices for cross-border capacity to be reduced combined with ITC and/or shifting cross-border tariffs to domestic exits and EU entries

- **Cross-border capacity allocation**

- » Mixed views on whether it will be necessary to impose limits
- » Mixed views on long-term capacity bookings

- **Sector coupling**

- » Support for consistent regulatory principles between E&G taking into account their specificities, to ensure a level playing field and a technology neutral approach
- » Calls for classifying P2G as conversion facilities that should not bear taxes and levies

- **ACER powers**

- » Mixed views on empowering ACER to act in case of NRAs disagreement

- **Calls for more focus on decarbonisation and sustainability** by:
  - » Including CO2 impact and environmental externalities on CBA methodology
  - » Considering decarbonisation indicators in GTM metrics
- **Calls for TSO investments in carbon capture and storage (CCS) and carbon capture and utilization (CCU)**, and also hydrogen networks, digitalisation, and related R&D and pilot project expenses.



## Save-the-date

ACER – CEER Market Monitoring  
Report  
&  
Bridge Beyond 2025: Joint  
Conclusions Paper

Launch event **20 November 2019**

EC Breydel Building, Brussels

