

The logo for ACER (Agency for the Cooperation of Energy Regulators) features the letters 'ACER' in a large, blue, serif font.

Agency for the Cooperation
of Energy Regulators



ACER's functions and responsibilities in the European Union

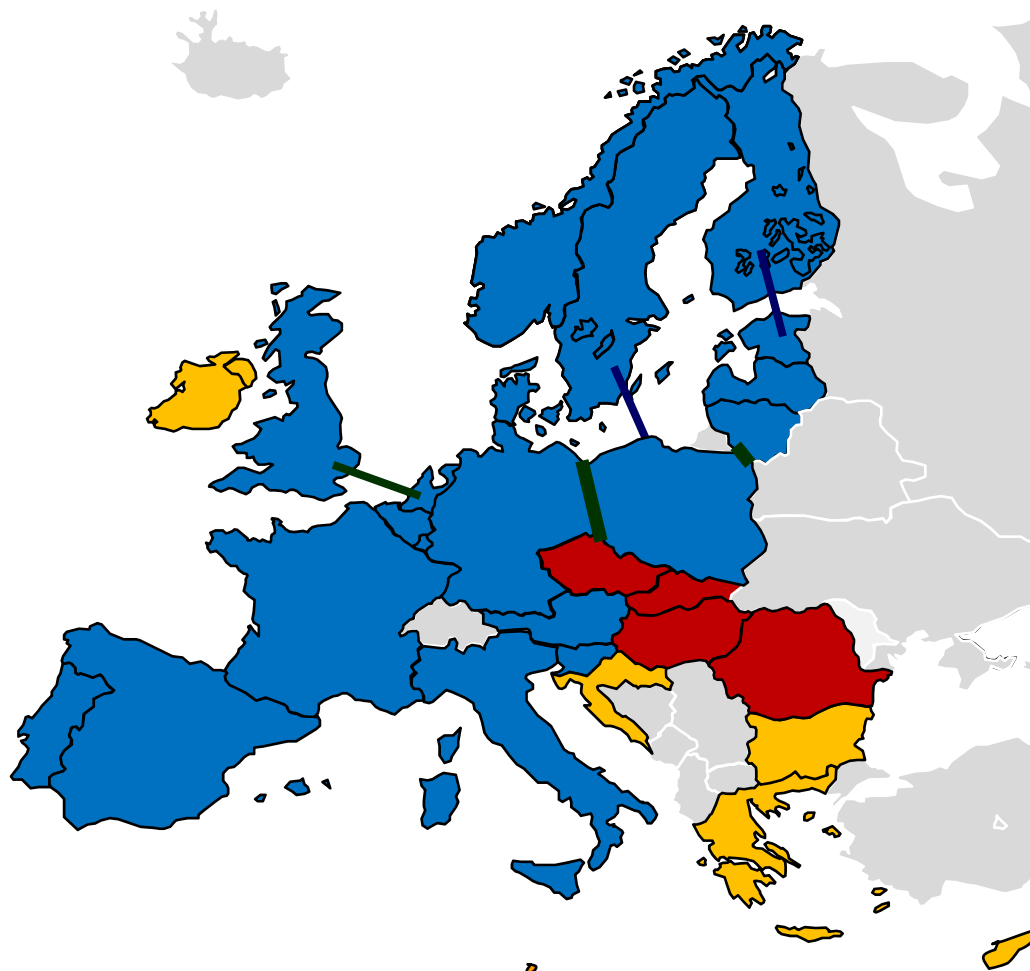
Alberto Pototschnig

Director

The University of Oslo, Scandinavian Institute of Maritime Law and UiO Energi, the Florence School of Regulation, Robert Shuman Centre for Advanced Studies and Energi Norge

**The Nordic electricity market in the EU's Energy Union
Oslo, 15 May 2018**

The internal electricity (day-ahead) market



Today:

- 80% of borders coupled
- 46 borders coupled in a single coupling
- 3 borders coupled separately
- 12 borders still waiting to be coupled

Final goal:

EU-wide day-ahead market coupling
with implicit auctions

4M MC =
4M Market
Coupling

PCR = Price
Coupling of
Regions

Not coupled
yet

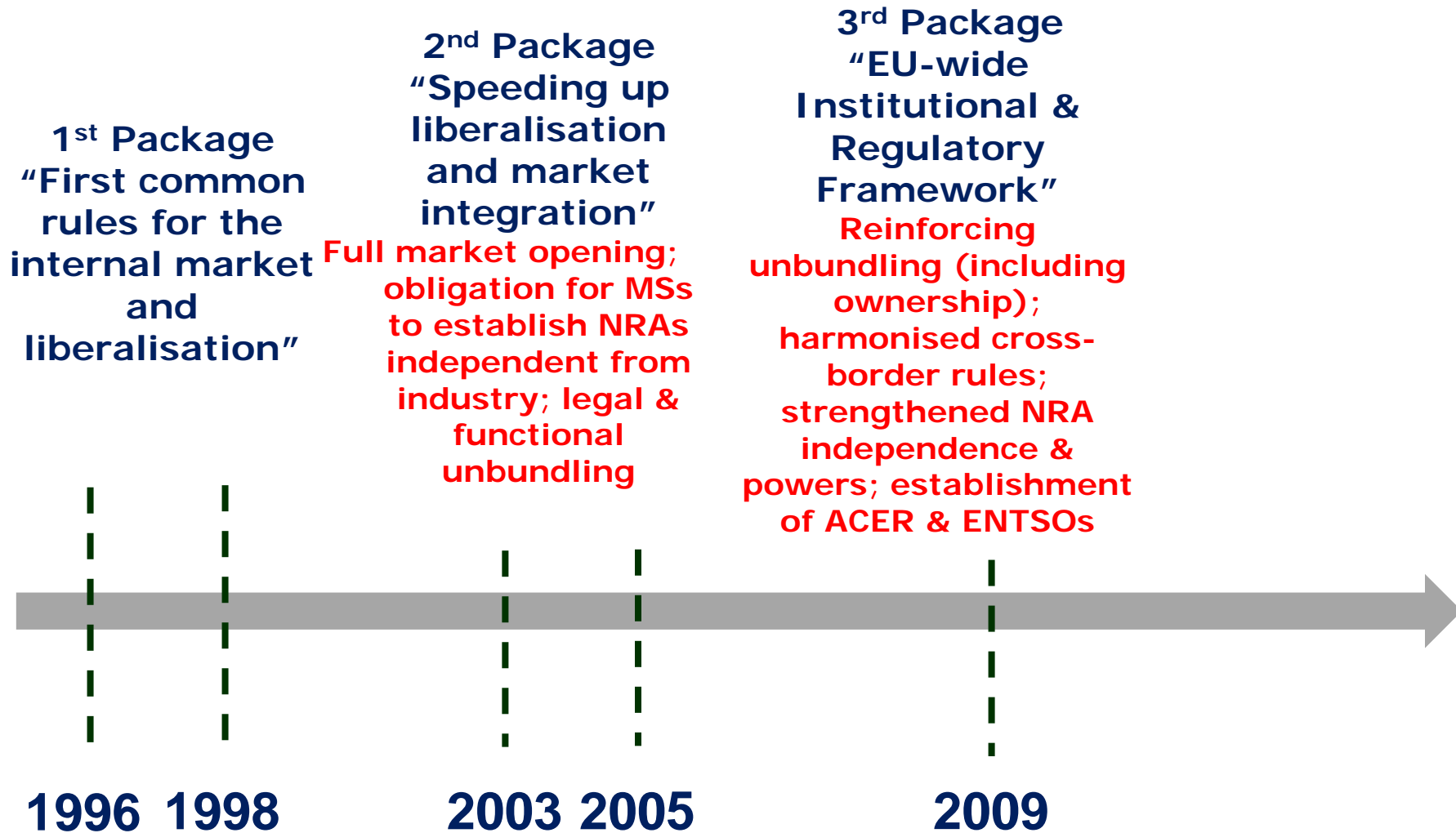
Outline

- The Agency's establishment and mission
- The Agency's main activities
- The Agency's governance and structure
- The “Clean Energy for All Europeans Package” (CEP) and the Agency

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The Third Package Towards the Single Energy Market



“The purpose of the Agency is to assist the NRAs in exercising, at Union level, the regulatory tasks performed in the Member States and, where necessary, to coordinate their action”.

**Therefore, ACER is NOT a European Energy Regulator
*but an EU body responsible for promoting regulatory
cooperation and for coordinating NRAs' activities in the EU***

**... which plays a CENTRAL ROLE in the new institutional
framework introduced by the Third Package**

... with a WIDENING MISSION

ACER

Third Energy Package

Directives 2009/72/EC, 2009/73/EC

Regulations (EC) No 713/2009, 714/2009 and 715/2009

**Regulation No 1227/2011 on Wholesale Energy
Market Integrity and Transparency (REMIT)**

**Regulation No 347/2013 on guidelines for trans-
European energy infrastructure**

**Regulation No 2017/1938 concerning measures
to safeguard the security of gas supply -
repealing Regulation No 994/2010**

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Types of acts which ACER can adopt

**Opinions and
Recommendations**

TSOs/ENTSOs

NRAs

**European
Parliament**


EU Council

**European
Commission**

**Individual decisions in specific cases
(residual power)**

ACER's Activities (2)

ACER



**Opinions on Infrastructure Planning
Ten-Year Network Development Plans
Lists of Projects of Common Interest (PCIs)
Proposals to enable permanent bi-directional
physical capacity or on the exemption requests**

Framework Guidelines for Network Codes

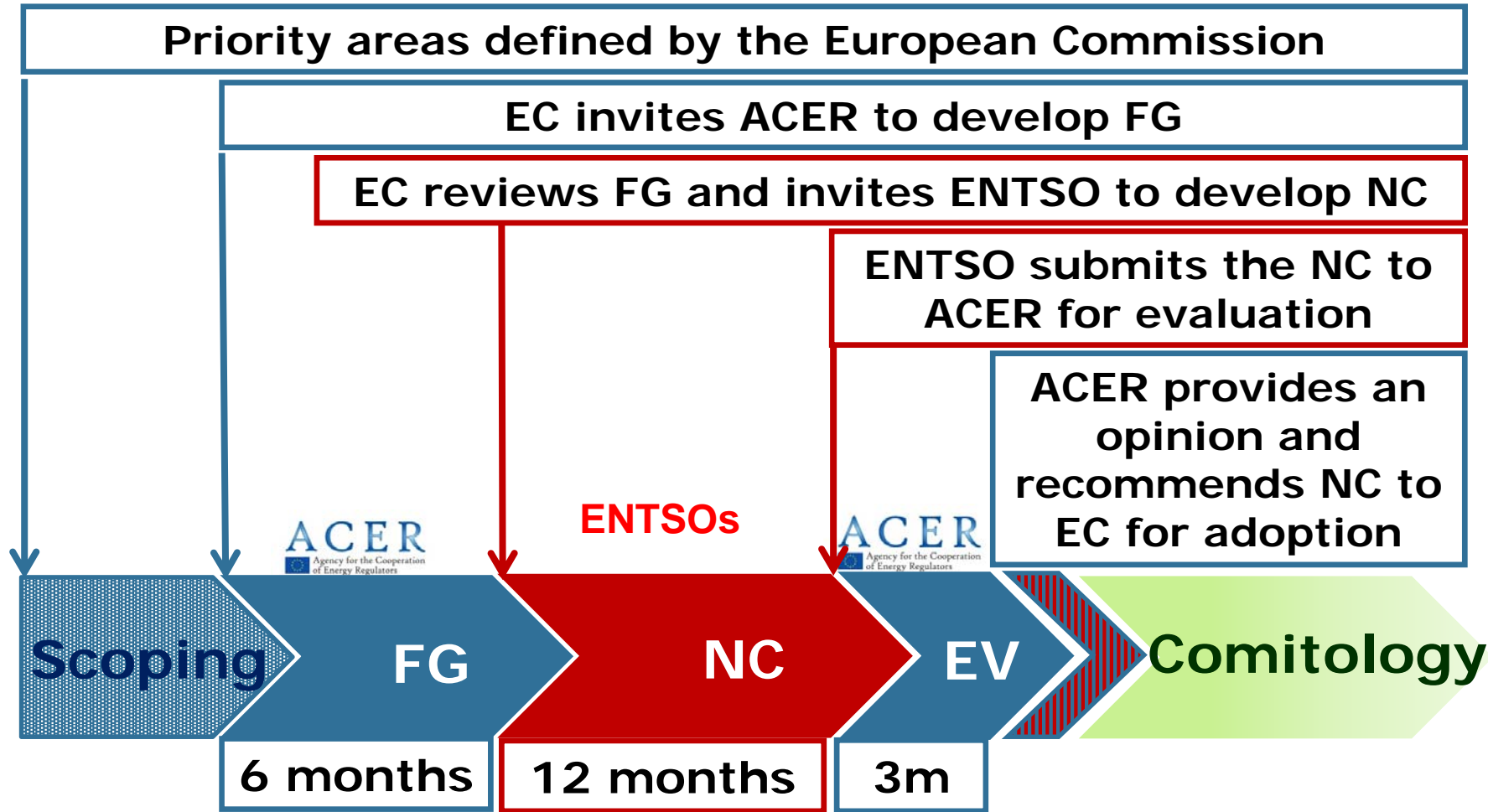
**NRA Support and Coordination
Decisions on Terms and Conditions for Access
to/Operational Security of Cross-border
Infrastructure, Exemptions
and Cross-border Cost Allocation**

**Market Monitoring
Access (incl. RES), Retail Prices and Consumers'
Rights
Wholesale Trading (REMIT)**

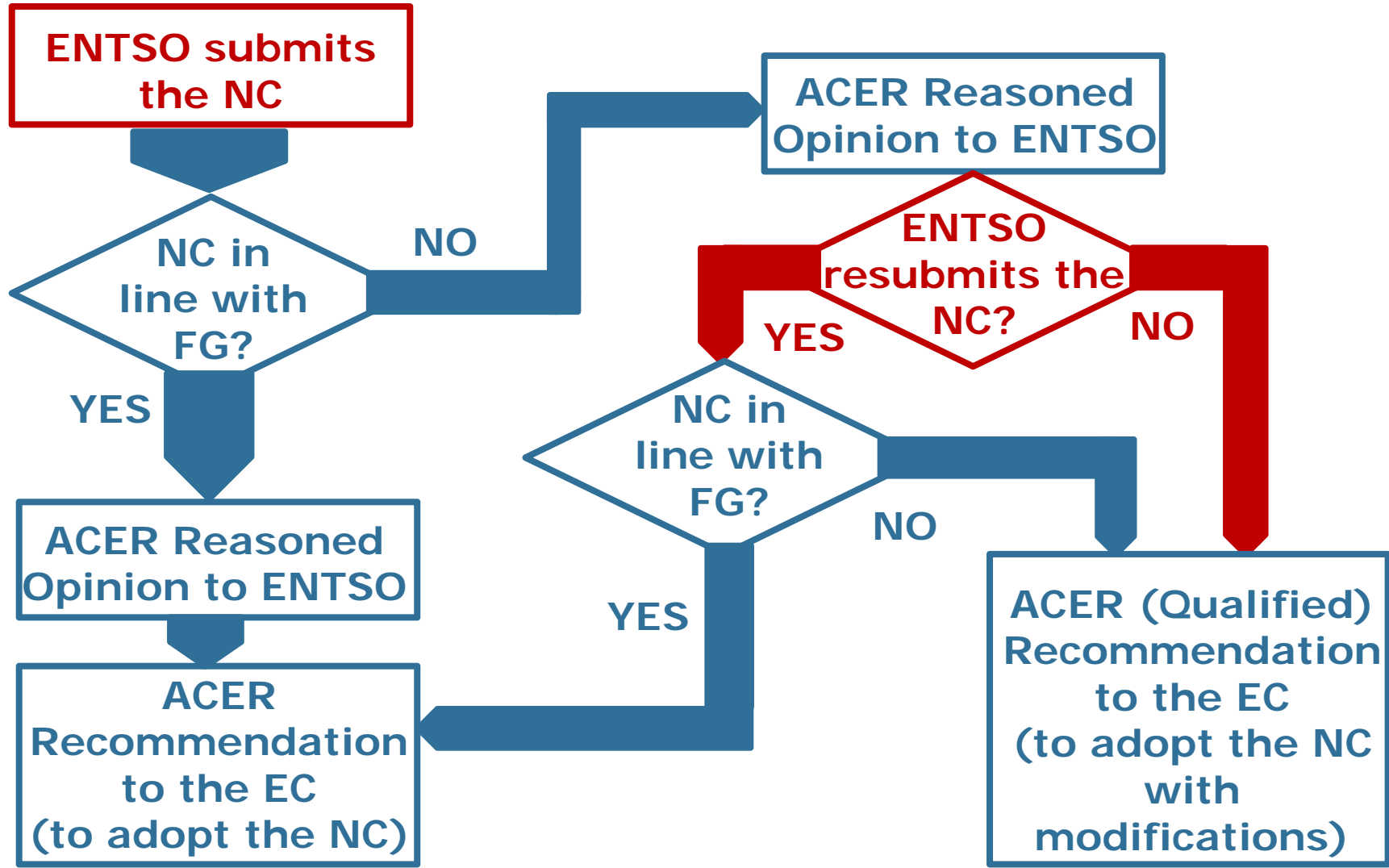
Framework Guidelines and Network Codes

Framework Guidelines (FG)	Network Codes (NC)
Based on the annual priorities set by the Commission	
Non-binding	Are made legally binding via “Comitology”
Setting clear and objective principles for the NC	Must be in line with the FG
Shall contribute to non-discrimination, effective competition and the efficient functioning of the market	Provide effective access to the networks across borders and promote cooperation and coordination among TSOs, taking regional specificities into consideration

FG and NC: Process Outline



NC: Opinions and Recommendations



Promotion of Cooperation
(even beyond the areas of ACER remit)

Sharing of Best Practices

Interpretation of Guidelines

Peer Review


Specific Decisions



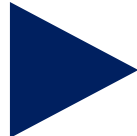
Decisions on Terms and Conditions for Access to and Operational Security of Cross-border Infrastructure



Decisions on TPA/Unbundling Exemptions



Decision on Cross-border Cost Allocation for Projects of Common Interest (TEN-E Regulation) and under Regulation safeguarding security of Gas Supply



Decision on “Terms and Conditions or Methodologies” for the implementation of the electricity (CACM, FCA, SO) Guidelines

ACER decides if:

- The concerned NRAs **fail to reach an agreement** within a pre-specified period, or
- Upon the **request** of the concerned NRAs

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Roles defined in the Agency's Founding Regulation (Regulation (EC) No 713/2009)

- Administrative Board (art. 12 and 13)
- Board of Regulators (art. 14 and 15)
- Director (art. 16 and 17)
- Board of Appeal (art. 18)

- Comprises 9 members and 9 alternates:
 - 2 + 2 appointed by the European Parliament
 - 5 + 5 appointed by the EU Council
 - 2 + 2 appointed by the European Commission
 - The Chair of the Board of Regulators and the Director as non-voting observers
- Ensures that ACER carries out its mission and performs the tasks assigned to it in accordance with its founding Regulation and REMIT
- Formally appoints the members of the Board of Regulators, the Board of Appeal and the Director
- Exercises, in consultation with the Board of Regulators, disciplinary authority over the Director

The Administrative Board (2)

- Adopts ACER's Work Programme for the coming year and adopts and revises a Multi-annual Programme
- Draws up the ACER's implementing rules for giving effect to the Staff Regulations
- Makes an estimate of revenue and expenditure of the Agency for the following financial year
- Adopts ACER's Annual Activity Report



Chair
Romana Jordan



Vice-Chair
Jochen Penker

The Board of Regulators

- Comprises:
 - » one senior representative and one alternate per Member State from the current senior staff of NRAs
 - » one non-voting representative of the Commission
- Provides Opinions to the Director on most of ACER's opinions, recommendations and decisions
- Provides Guidance, within its field of competence, to the Director in the execution of his tasks
- Approves ACER's Work Programme and presents it to the Administrative Board for adoption
- Approves the independent section on the regulatory activities of the ACER's Annual Activity Report
- Is consulted by the Director on all aspects of implementation of REMIT



Chair
Garrett Blaney



Vice-Chair
Clara Poletti



- Represents and manages the Agency
- Implements the Work Programme
- Adopts and publishes opinions, recommendations and decisions, after the favourable opinion of the Board of Regulators where required
- Prepares the draft Work Programme, the draft Budget and the draft Annual Activity Report of the Agency
- Recruits and appoints the staff of the Agency

The Board of Appeal

- Comprises:
 - » 6 members and 6 alternates
 - » selected from among current or former senior staff of NRAs, competition authorities or other national or EU institutions with relevant experience
- Considers appeals lodged by any natural or legal person, including NRAs, against a decision ex art. 7, 8 and 9 of Reg. 713/2009 and a Cross-border Cost Allocation decision which:
 - » is adopted by the Agency; and
 - » is addressed to that person, or
 - » although in the form of a decision addressed to another person, is of direct and individual concern to that person.



Chair
Andris Piebalgs



Vice-Chair
Jean-Yves Ollier

2011 - 2017

Opinions	120
Recommendations	26
Decisions	34
<i>- of which: Framework Guidelines</i>	<i>8</i>
<i>REMIT implementation</i>	<i>17</i>
<i>Investment requests/CBCA</i>	<i>2</i>
<i>"Terms and Conditions or Methodologies" (CACM, FCA, SO GL)</i>	<i>7</i>
TOTAL	180

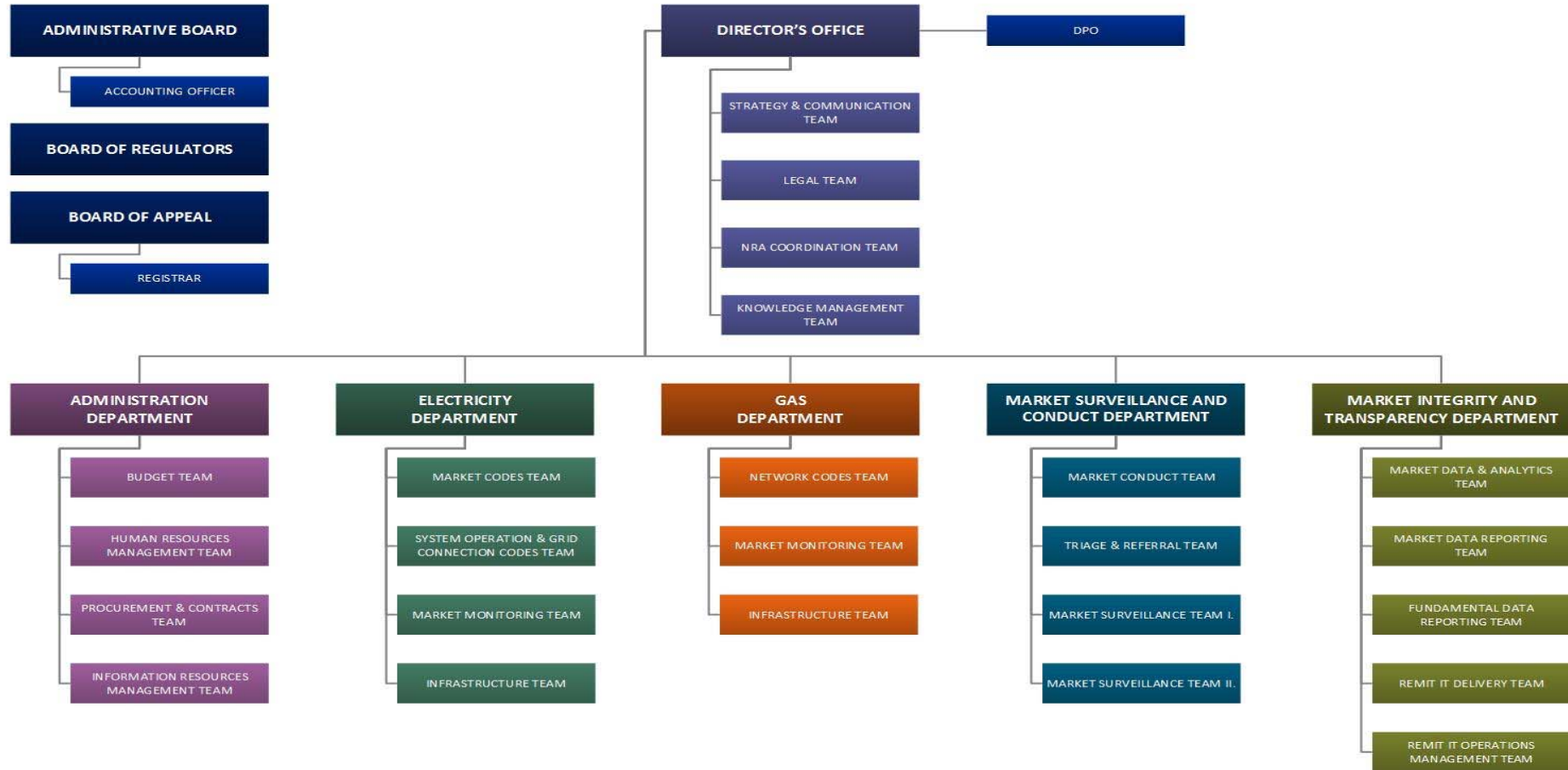
Decision Making and Review

Type of Act /Activity	Proposal	Involvement of the BoR	Adoption	Review by the BoA
Opinions and Recommendations (ex art. 5 to 9 Reg. 713/2009)	Director	Formal Opinion	Director	No
Decisions (ex art. 8 and 9 Reg. 713/2009)	Director	Formal Opinion	Director	Yes
REMIT	Director	Consulted	Director	No
Opinions on Regional PCI Lists	Director	Formal Opinion	Director	No
CBCA Decisions	Director	*	Director	Yes
Other Activities	Director	*	Director	No

* No formal involvement envisaged in the Regulations. Practice established

ACER Internal Structure

ACER ORGANISATION CHART

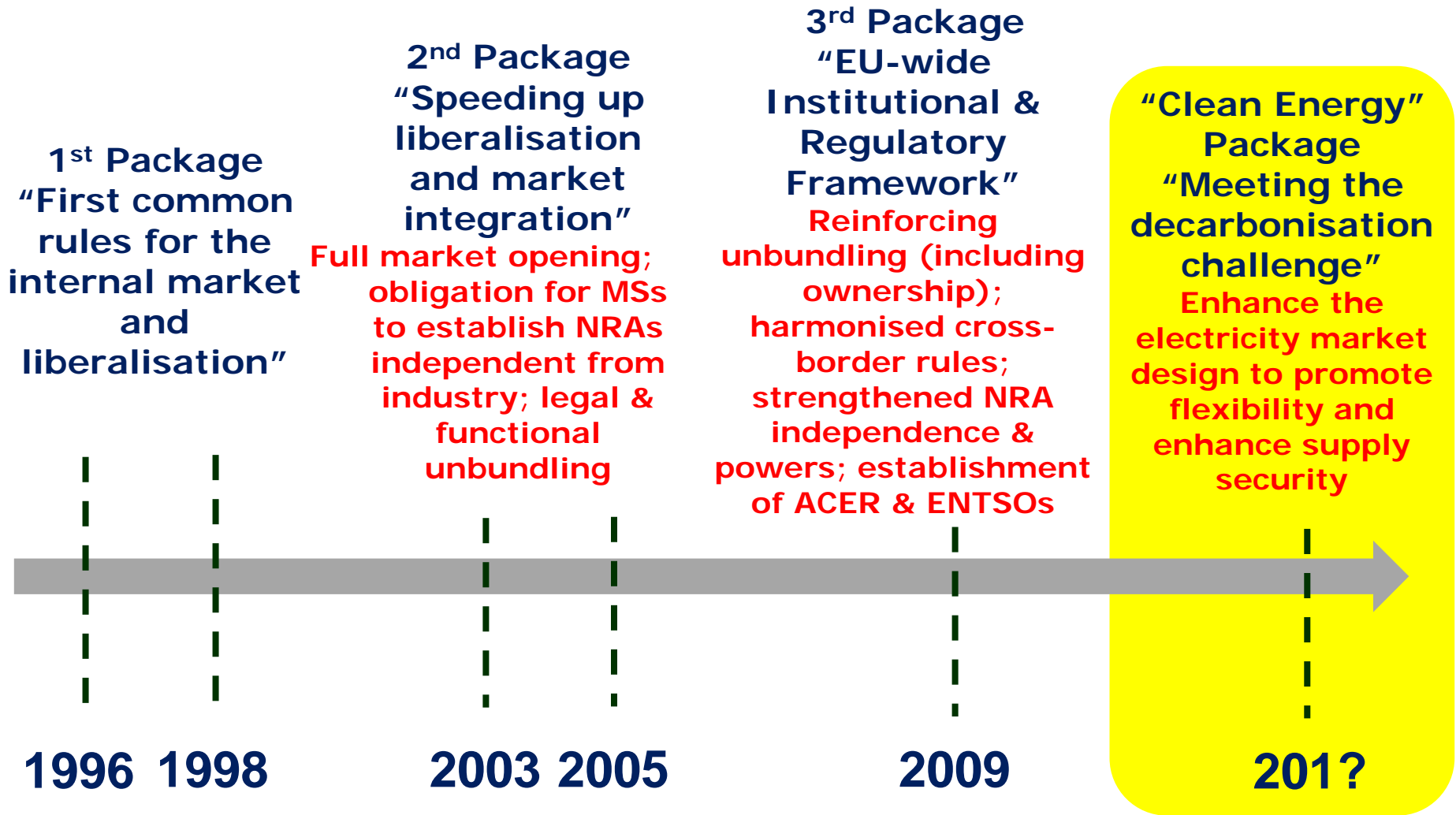


- A large part of the technical work of the Agency is carried out in Working Groups (AWGs)
- AWGs brings together experts from NRAs and Agency's staff
- AWGs:
 - » provide input to the Director for the preparation of opinions, recommendations and decisions
 - » support the Director and the Agency staff on other tasks
 - » provide information to the Board of Regulators on the issues relevant to the Director's proposals
- There are currently 3 AWGs:
 - » Electricity
 - » Gas
 - » Market Integrity and Transparency
- The cooperation between the Agency and NRAs for the implementation of REMIT is supported by the REMIT Coordination Group

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The Clean Energy Package Beyond the Single Energy Market



CEP: Electricity Market Design at a glance

- Speedier and more agile consumer **switching** of suppliers
- Enabling consumers to access **dynamic pricing**
- Facilitation of **Demand Response**
- **Removal of price caps** to ensure prices reflect scarcity
- Avoiding overcapacity by coordinating **resource adequacy assessments**
- Explicit **cross-border participation** in Capacity Remuneration Mechanisms
- Explicit **prohibition** to “**push congestion to the borders**”
- Focus on and reinforcement of **regional TSO cooperation** through **Regional Operational Centres (ROCs)**
- Stronger **TSO-DSO cooperation**
- Creation of the **EU DSO body**

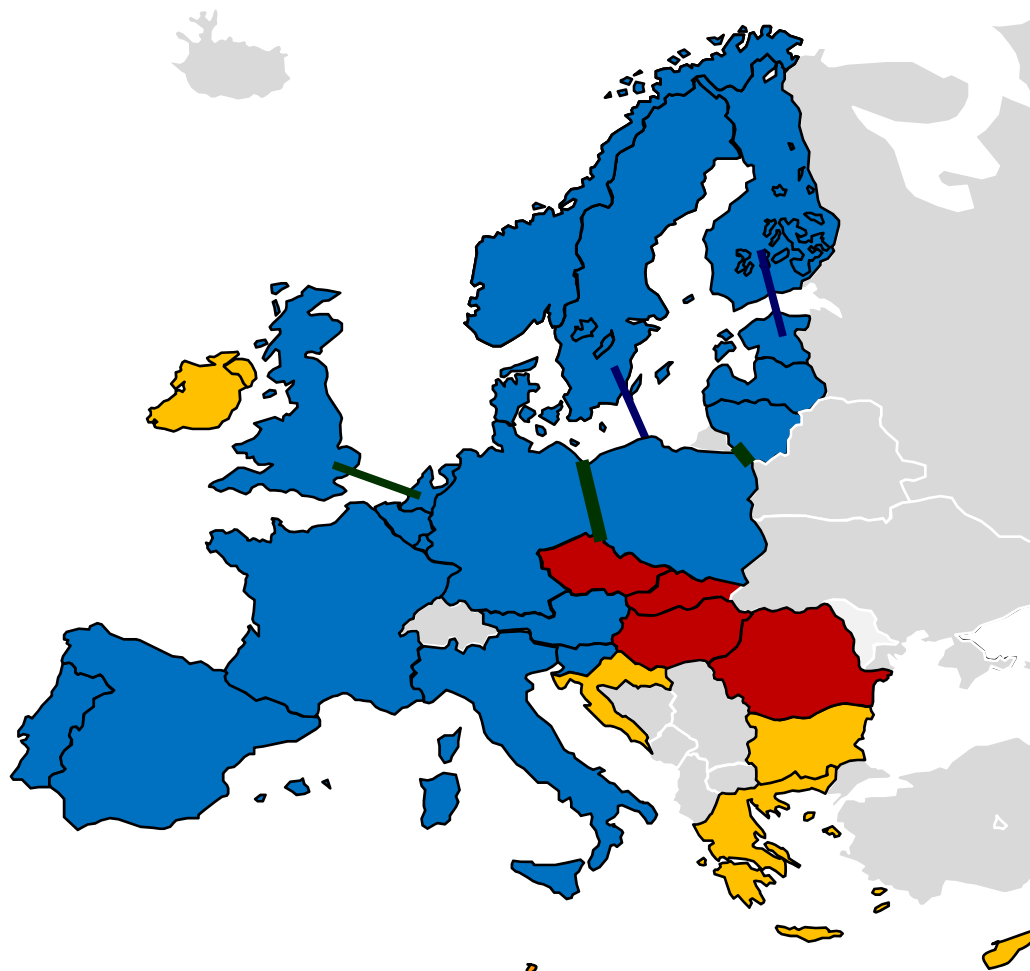
The implementation of existing legislation (Third Package, Network Codes and Guidelines) should remain a priority

The “Clean Energy for All Europeans” Package proposals build on the current market model

CEP: The proposed new tasks for ACER at a glance

- Directly reviewing and finalising **Network Code proposals** for submission to the Commission
- Directly deciding on **terms and conditions or methodologies** for Network Code implementation (current “all NRA” decision)
- Deciding on the methodology and assumptions for the **bidding-zone review**
- Defining methodologies for a coordinated **European Adequacy Assessment**
- Defining technical parameters for the **cross-border participation in capacity mechanisms**
- Coordinating national actions related to **risk preparedness**
- Overseeing **Regional Operational Centres**
- Ensuring progressive **convergence of transmission and distribution tariff methodologies**
- Supporting the creation of a **EU DSO Entity**
- Possibility of issuing recommendations to NRAs and market players, **on its own initiative**

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46 borders coupled in a single coupling
3 borders coupled separately
12 borders still waiting to be coupled

Final goal:
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with implicit auctions

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**Thank you
for your attention**

www.acer.europa.eu