



Paris, le 12 juillet 2023

V2

Public consultation on CEER 2024 Work Programme

1. CEER proposes that the 2024 Work Programme should focus on the above-mentioned six priority areas from the 2022-2025 CEER Strategy. Do you support how these areas flow into the draft 2024 Work Programme ?

UPRIGAZ considers that the 6 areas of work defined for the period 2022-2025 (Consumer-centric design; Sustainable and efficient infrastructure; Well-functioning markets; Energy system integration; Flexibility; Decentralized and local energy) remain relevant and should continue to be explored. But UPRIGAZ draws CEER's attention to consumer acceptability of new constraints related to decarbonization and responses to the energy crisis in the following the war in Ukraine.

2. Within each priority area, do you think the Work Programme focuses on the right deliverables or should some be deleted or added? (Please note that not every aspect in each of the six core areas would be addressed in a single year's work programme)

For UPRIGAZ, it is essential to focus on the protection of consumers against both price volatility of electricity and gas, all over Europe, and an increase in their energy bills.

At the same time, decarbonization will lead to changes in consumer behavior, significant thermal insulation costs, equipment changes... Consumers need to be supported both to accept the cost of these changes but also to adapt their behavior to this new environment.

UPRIGAZ draws CEER's attention on the surging electrification of uses, which raises the question of the availability of the electricity supply necessary for economic activity and the life of Europeans. The development of renewable energies often comes up against a problem of acceptability. Some countries refuse the installation of nuclear power plants. It would be catastrophic for carbon emissions if we had to continue to rely on coal-fired power plants.

CEER observes that LNG supplies have largely replaced Russian gas. UPRIGAZ insists on the role of the market which has made it possible to redirect towards Europe large quantities of LNG initially intended to the Asian market. UPRIGAZ insists on the risks for security of supply of seeking to control market movements when prices reach certain levels. Prices on market places only reflect supply-demand balances.

The integration of decentralized and intermittent renewable electric energies modifies the architecture and operation of the networks. The development of digitization and electricity storage facilitates and accelerates these changes. But alongside electric renewables, we must not forget the renewable gas which is developing and which is easily storable. Moreover, it uses infrastructure that is already largely amortized.

3. On the individual work items (listed in section 4 of the consultation paper, do you have any specific comments ?

Work item 1: ACER-CEER Energy Retail Markets and Consumer Protection Report

The increase in prices on the wholesale gas and electricity markets has consequences on retail prices, in particular at the expense of the most vulnerable consumers. Faced to this situation, Member States may be tempted to intervene on the wholesale markets. UPRIGAZ is not in favor of this option and prefers targeted actions for the benefit of consumers most affected by price increases. However, these actions must avoid distortions of competition and should be coupled with measures encouraging consumers to improve energy efficiency and reduce their consumption. They must be limited to the duration of the crisis period. The cost of these measures should not be borne by suppliers. It is also important to continue the establishment of the internal market.

Work item 2 : Review of the metrics in CEER's 2017 Handbook for National Energy Regulators in the light of CEP implementation

The Ukraine crisis and the accelerating decarbonization require a re-examination of the 2017 Handbook for National Energy Regulators

Work item 3 : Incentives in regulatory frameworks with a focus on OPEX-CAPEX neutrality

The development of decentralized renewable energies profoundly modifies the functioning of networks. National regulators must ensure that the networks allow the unrestricted injection of renewable energies and that new installations are quickly connected.

Work item 4 : NRAs' approach to DSO flexibility procurement, justifications for derogations from Article 32 and valuation of flexibility in non-market-based approaches

UPRIGAZ is in favor of market-based flexibility instruments and would like this approach to be generalized across the European Union.

Work item 5: CEER Benchmarking Report 7.1 on the Continuity of Electricity and Gas Supply

No sightings.

Work item 6 : Facilitation and challenges of decentralised energy, energy sharing and energy communities with special focus on (residential) rooftop solar PV

It seems important to us that the CEER contributes to develop the potential offered by energy communities and self-consumption.

Work item 7 : Biennial RES Status Review of Renewable Support Schemes in Europe

UPRIGAZ supports the development of renewable energies and encourages CEER to participate in this development.

Work item 8 : Short paper on NRA activities to facilitate offshore transmission development - Input to Copenhagen Energy Infra Forum discussions

UPRIGAZ shares the concern expressed by ACER to share national experiences and to deliver benchmarking to stakeholders.

Work item 9 : How to implement the Gas Package in relation to LNG issues

UPRIGAZ insists on the role of LNG terminals in guaranteeing the security of gas supply to the European Union and considers that the current regulations do not pose any problem and have enabled the rapid installation of FSRUs.

Work item 10 : How to implement the Gas Package in relation to regulation of hydrogen and biomethane

UPRIGAZ is obviously in favor of the development of hydrogen. But the massive production of renewable hydrogen requires the availability of electricity. However, carbon-free electricity production capacities are currently insufficient in Europe and allocated in priority to the needs of industrial and residential consumers. Moreover, it seems premature to us to set up a hydrogen regulation model directly translated from the regulation of natural gas.

Furthermore, biomethane offers significant development opportunities that the European Union must encourage.

Work item 11 : Regulatory pathways for long-term energy storage

The European Union has significant gas storage capacities. These capacities constitute an asset for security of supply.

Work item 12 : Market Integrity and Transparency

UPRIGAZ observes that the REMIT regulation is well applied by market players and notes that infringements of this regulation are relatively limited.

UPRIGAZ considers that monitoring of the wholesale gas and electricity markets is working properly. However, UPRIGAZ suggests that CEER and ACER should take actions to foster liquidity in the EU electricity market places and publish elements of benchmarking on this matter.

On the other hand, UPRIGAZ considers, like CEER, that sectoral regulation must remain under the control of national regulators and should not be transferred to financial regulators.

UPRIGAZ draws CEER's attention on the effects of the energy crisis on margin calls applicable in the context of transactions on the organized gas and electricity markets. These margin calls have reached, in times of great need, levels that are difficult to accept for many participants in these markets, which has led some of them to favor OTC deals, which remains significant systemic risk.

Work item 13 : Guidelines of Good Practice on Regulatory Impact Assessment

No sightings.

Work item 14 : State of play of NRA's independence in a multi-sectoral environment

UPRIGAZ notes that the national regulators exercise their mission with competence and independence.

Work item 15 : Regulatory Frameworks Report 2023

UPRIGAZ congratulates CEER for the publication of this report which is a useful tool for all stakeholders in the electricity and gas sectors.