



Paris, le 21 juillet 2022

Public consultation on CEER 2023 Work Programme

1. CEER proposes that the 2023 Work Programme should focus on the six priority areas from the 2022-2025 CEER Strategy (Consumer-centric design; Sustainable and efficient infrastructure; Well-functioning markets; Energy system integration; Flexibility; Decentralised and local energy) and Significant recurring work.

Whilst the areas themselves were consulted upon in the draft strategy public consultation, do you support how these areas flow into the draft 2023 Work Programme?

UPRIGAZ had fully adhered to the 2022 work program of CEER. The 2023 program aims to continue the actions already undertaken, the main purpose of which was to improve consumer protection and their role in the energy transition. UPRIGAZ supports this approach and its continuation in 2023. However, the current energy crisis leads to consider new priorities contained in the *Fit for 55* program and in the RePower EU that the regulatory authorities must now integrate. UPRIGAZ invites CEER to reorient its priorities to take greater account of the new conditions posed by the energy crisis.

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.]

The acceleration of the development of renewable energies, the greater use of LNG, the reduction of consumption and the accelerated decarbonization of the economy require a revision of the framework of European regulation (aid for vulnerable consumers, possible revision of the operational rules for the access to energy wholesales markets, market surveillance, upgrading of gas and electricity transmission and distribution networks to new market conditions, etc.).

In total, there are 17 work items proposed in the draft CEER 2023 Work Programme divided into several areas:

Customers and retail markets, Distribution systems, Electricity, Gas, International Relations, Legal Affairs, Market Integrity, Regulatory Benchmarking and Recurring/Cross-sectoral.

Do you have any specific comments on the individual work items? Please note that you do not have to provide comments on all proposed items.

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

Description:

This annual ACER-CEER Market Monitoring Report aims to monitor consumer empowerment and retail markets developments across Europe. CEER will cooperate with ACER to deliver a comprehensive monitoring report to the European Parliament, investigating progress on the national implementation of European legislation focusing on consumer protection and empowerment, as well as the consumer experience in European energy markets. The report will include detailed insights on retail market developments, such as prices, price regulation measures and market structures, as well as relevant and new consumer issues such as energy poverty and active energy consumption. The primary data source for the report consists of the CEER national indicators and respective surveys. Beyond presenting the key results of our assessment of the functioning of the Internal Energy Market (IEM) in 2022, the MMR also contains recommendations on how to address the remaining identified barriers to the completion of the IEM.

Do you have any specific comment on this individual work item ?

The increase in prices on the wholesale gas and electricity markets has consequences for retail prices, in particular at the expense of the most vulnerable consumers. Faced with this situation, Member States may be tempted to act 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 by 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 the suppliers.

Work item 2 : Report on consumer empowerment and protection during and after crisis (scenarios)

Description:

In light of the recent crisis scenarios in the energy sector, this deliverable will focus on the immediate and long-term effects on consumers and energy retail markets. The report aims to identify measures and strategies to protect consumers during crisis scenarios, discuss options and lessons learnt, and evaluate measures to facilitate the evolution of retail markets and consumer protection. Drawing from previous CEER work on crisis management and consequences, such as the workshops on “Game Changing Crisis” (How current developments may change consumer behaviour in the future. Loosing trust and relaunching consumer activity), the report should also amend the European Commission’s Communication on Tackling rising energy prices: a toolbox for action and support. The document will reflect on the advantages and disadvantages of different crisis management instruments and identify regulatory measures to (re)build consumer trust in a liberalised energy market.

Do you have any specific comment on this individual work item ?

It is necessary to encourage consumers to adopt new behaviors to get through the crisis and adapt to supply constraints and the decarbonization of the economy. These encouragements go through training but also through pricing policies that provide more incentives for management of the demand, curtailment and reductions in consumption.

Work item 3 : Review of the metrics in CEER's 2017 Handbook for National Energy Regulators in light of the CEP implementation

Description:

CEER acknowledges the fact that the 2017 Handbook for National Energy Regulators and its metrics are dynamic by nature since legislation evolves as well as national circumstances. This means that CEER will look into reviewing the metrics periodically and propose updates or changes to the metrics and/or definitions when necessary. In particular, CEER will verify whether the metrics have to be adjusted or complemented with additional metrics considering that most of the acts under the Clean Energy for All Europeans Package (CEP) will have entered into force by 1 January 2021.

Do you have any specific comment on this individual work item ?

UPRIGAZ has no comment on this point.

Work item 4 : Self-Assessment Status Report 2023 for the Roadmap to Well-Functioning Retail Markets

Description:

This fifth Status Report continues to implement the framework developed by CEER in its 2016 "Roadmap to well-functioning retail energy markets in Europe". This framework aims to deliver reliable, affordable, and simple-to-use services to ensure the protection and empowerment of consumers by 2025. The self-assessment process can be described as a journey that starts with data collection, a reflection, and a gap analysis, leading to national recommendations and the monitoring of their implementation.

The CEER Roadmap to well-functioning retail energy markets in Europe is part of CEER's pledge to realise the core principles of the CEER-BEUC 2020 Vision and the objectives set out in ACER's Bridge to 2025: Conclusions Paper

Do you have any specific comment on this individual work item ?

As previously indicated by Uprigaz, the CEER Roadmap should be revised in 2023 to be better adapted to the new energy context.

Work item 5 : CEER Cybersecurity Report on Europe's Electricity and Gas Sectors

Description:

Mapping the state of play of respecting cybersecurity in electricity and gas sectors

Do you have any specific comment on this individual work item ?

The new geopolitical context and the war in Ukraine requires strengthening the resilience of European electricity and gas systems. Coordinated actions at EU level should be strengthened.

Work item 6 : High Market Prices Report

Description:

Energy commodity prices have reached unprecedented high levels across Europe. While various factors have contributed to the high energy prices in Europe, the main driver is the surge in the price of natural gas. RES WS will continue to engage with stakeholders and NRAs to display the reasons and state of play of the high market prices across Europe.

Do you have any specific comment on this individual work item ?

UPRIGAZ adheres to the conclusions of ACER on the operation of the wholesale electricity market in Europe. It seems to us detrimental to the continuity of supply to call into question the operating rules of the wholesale electricity markets. The operating mechanism of this market should not prevent encouraging the construction of new production units, in particular those that can be controlled, by remunerating the capacities offered.

Work item 7 : RES Support Systems Report

Description:

The report is aimed to map the current approach to foster renewable energy deployment as defined by the Renewable Energy Directive 2018/2001/EU (RED II) in the EU. This report is prepared every two years.

Do you have any specific comment on this individual work item ?

UPRIGAZ is in favor of accelerating the development of renewable energies in Europe, and to achieve this, the implementation of the simplification and acceleration of administrative authorization procedures and the processing of litigation appeals in all Member States.

Work item 8 : Accompanying the Hydrogen and Gas Market Decarbonisation Package along the legislative process

Description:

CEER will continue to accompany the Hydrogen and Decarbonised Gas Market Package's legislative process and react jointly to proposals introduced by the European institutions. Building on the work done in 2022, a Fast Response Team will continue to assess CEER's position on the legislative proposals. Depending on legislative developments, it will flexibly implement several different work items. Such flexible work items could include drafting position papers, proposals for legislative amendments and briefing packs or organising CEER discussions, webinars or workshops with various external stakeholders.

Do you have any specific comment on this individual work item ?

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 duplicated on the regulation of natural gas.

Work item 9 : Regulators' reflections on enabling the injection of renewable and low-carbon gases and ensuring their access to the wholesale market, including any impacts on the functioning and design of entry-exit systems

Description:

Regulators' reflections on enabling the injection of renewable and low-carbon gases and ensuring their access to the wholesale market, including any impacts Building on their work in 2022, CEER will continue to reflect on enabling the injection of renewable and low-carbon gases and ensuring their access to the wholesale market. This is a particularly hot topic in light of the Hydrogen and Gas Market Decarbonisation Package and will need further reflection from regulators in 2023. The paper will aim to clarify the scope entry-exit systems for decarbonised gases to avoid misinterpretations and over-regulation of the distribution level. Moreover, NRAs will aim to ensure the participation of local producers in the wholesale market via alternative solutions to full integration of transmission and distribution levels. This work item will be conducted with a certain flexibility regarding the ongoing legislative process in the European institutions and to the activities done under the Hydrogen and Decarbonised Gas Markets Package work item.on the functioning and design of entry-exit systems

Do you have any specific comment on this individual work item ?

UPRIGAZ considers the development of biogas to be a priority, as it already has a large source of supply s in Europe and benefits from access to the infrastructures set up for the transport, distribution and storage of natural gas. This development must be accompanied by the establishment of a European market for guarantees of origin to give the end consumer the certification of a supply of renewable gas.

Work item 10 : Targeted recommendations on storage regulation to support security of supply

Description:

CEER proposes to continue working on the topic of gas storage and to develop regulators' recommendations on newly proposed legislation on security of supply and decarbonisation. CEER will continue to engage with different stakeholders to discuss regulators' proposals on energy storage more broadly. The aim is to receive feedback from infrastructure operators and market players on the need for regulation.

Do you have any specific comment on this individual work item ?

UPRIGAZ has always been in favor of the Commission's guidelines on storage and welcomes the rapid adoption of the 2022 regulations. We believe that the storage rules are sufficiently precise and do not need to be supplemented or made more complex.

Work item 11 : The influence of new EU LNG terminals on the future European energy market

Description:

For this work item, CEER will analyse the new EU LNG projects planned for the coming years. These new projects are in many cases arising from the need to reinforce security of supply for European consumers in the current energy context, which is impacted by the Russian war in Ukraine, the capacity allocation

mechanisms as well as access conditions and their influence on the European Energy Market. The Position Paper could also analyse the newly available information on gas prices and put them in context with other recent developments in European LNG terminals in 2022 and 2023.

Do you have any specific comment on this individual work item ?

Recent experience has shown that operators importing LNG in Europe reacted quickly to significantly increase imports intended to satisfy the European market. UPRIGAZ draws CEER's attention to the risk that any administrative decision on the functioning of the gas market and the determination of prices, and in particular of LNG, would affect negatively Europe's supply. In addition, UPRIGAZ considers that control of the entire LNG chain, from supply in the producing country to access to regasification terminals, including access to liquefaction capacity and control of the shipping can only be exercised by operators traditionally active on the LNG market. In other words, it is an illusion to think that the supply of LNG to Europe can be the responsibility of the EU Commission.

Work item 12 : CEER Strategy Document for International Activities

Description:

CEER Strategy Document fCEER will develop a new strategic document for its international activities. It will update the previous strategy for international activities from 2013 where possible and will develop new priorities and activities where necessary. During this update of CEER's strategy for international activities, the European Commission's new international energy strategy will also be taken into account and its priorities will be aligned. The document will set out CEER's strategy for its international cooperation efforts with fellow regulators and regional regulatory associations worldwide. It will focus on the main objectives of our international dialogue and illustrate some of the activities CEER is engaged in that contribute to these goals.or International Activities

Do you have any specific comment on this individual work item ?

UPRIGAZ has no comment on this point.

Work item 13 : Public workshop on the LAC TSO/DSO unbundling report

Description:

Public workshop on the LACEER legal experts will organise a public workshop with participation of external stakeholders to present the results of the latest unbundling report. The focus of this public workshop will be on the most recent developments in the unbundling practice and unbundling related novelties introduced in the most recent legislative acts (e.g. Gas Package). TSO/DSO unbundling report

Do you have any specific comment on this individual work item ?

UPRIGAZ considers that the unbundling applied to natural gas works satisfactorily and guarantees fair conditions of access to infrastructures and competition. On the other hand, UPRIGAZ considers that the hydrogen market has not reached a sufficient degree of maturity for the unbundling rules applicable to natural gas to be directly transposed for Hydrogen.

Work item 14 : Financial Regulation and the links to REMIT

Description:

Gas and electricity markets have their own dedicated regulation to address market abuse and transparency – the REMIT. Recently, there have been some attempts to revise the existing legislation in a restrictive way and replace energy regulators with financial regulators in supervisory tasks for the concerned products. CEER has publicly stated that this would be inappropriate, inconsistent, and inefficient considering the experience gained in this field by energy regulators. NRAs must regularly coordinate with national and European financial regulatory authorities to ensure proper energy market functioning from a regulatory perspective. Moreover, the recent increases in wholesale electricity and gas prices, as well as in CO2 emission certificates, led to increased margin requirements by Clearing Houses, potentially precipitating supplier insolvencies. CEER will continue to monitor this specific situation in order to ensure proper market functioning.

Do you have any specific comment on this individual work item ?

UPRIGAZ considers that the surveillance of the wholesale gas and electricity markets is working properly. On the other hand, UPRIGAZ believes, like CEER, that sectoral regulation must remain under the control of national regulators and ACER and not be transferred to financial regulators. UPRIGAZ draws CEER's attention to 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 periods of high volatility, levels that are difficult to face for many participants in these markets, which has led some of them to favor OTC deals, which is accompanied by a significant systemic risk.

Work item 15 : Assessment of the internal organisation of NRAs

Description:

CEER will examine the internal organisation of NRAs, in particular (1) how it has changed over time (possibly reflecting the focus areas/tasks of NRAs) – e.g. which departments have been formed/what transformations there have been; how NRAs internally organise participation in CEER WGs; and (2) what NRAs are doing now to be attractive employers (because expertise is our main asset) – e.g. whether there are fringe benefits, efforts to become a modern employer (e.g. internal emission reduction measures), flexible working arrangements (including for parents), education and training etc.

Do you have any specific comment on this individual work item ?

It is important that regulators have the material and human resources to carry out their missions.

Work item 16 : Regulatory Frameworks Report 2023

Description:

The Regulatory Frameworks Report (RFR) is an annual report which delivers a general overview about the implemented national energy regulatory regimes, efficiency developments and an analysis of the overall determination of capital costs. This report was previously named as the Investment Conditions Report. The

report is popular among stakeholders as it provides a clear overview of the national regulatory regimes for the energy sector. Market participants and other stakeholders use the RFR to identify the regulatory regime in certain countries. TSOs/DSOs can benchmark how other countries deal with the financial issues they face, which are reflected in the regulatory frameworks. NRAs tend to use the RFR to compare their own regulatory regimes to those in other countries. It can therefore be considered as a highly informative CEER report. The 2023 report will be the twelfth edition of the report.

Do you have any specific comment on this individual work item ?

UPRIGAZ has no comment on this point.

Work item 17 : TCB21 - Cost Efficiency Benchmark

Description:

The TSO Cost Efficiency Benchmark is a CEER deliverable that periodically measures the TSO cost efficiency. Such a benchmark aims to ensure that tariffs are based on efficient costs as stipulated by European law, which is an important mandate for regulators. The benchmark helps to identify the TSOs that are working efficiently and those whose work could be improved. The upcoming TSO Cost Efficiency Benchmark 2021 (TCB21) will be the sixth edition for electricity and the third for gas. The deliverable will include a consultancy to do the research and prepare the final reports. The research will likely again include several workshops for the participating NRAs and TSOs.

Do you have any specific comment on this individual work item ?

UPRIGAZ supports the benchmarking work carried out by CEER and is favourable to its pursuit.