



Paris, le 10 juillet 2020

CEER public consultation on 2021 Work Programme

Q1 - Do you support that these areas should be the priorities or should some areas be deleted and others included ?

UPRIGAZ supports CEER's proposals. The implementation of the Clean energy Package and the acceleration of the digitalization process of the energy sector are the two axes of action for the European Union in the ongoing years.

In particular, UPRIGAZ is in favor of a cross-sectoral (electricity and gas) regulatory approach.

Q2 - Within each priority area, do you think the Work Programme focuses on the right deliverables or should some be deleted or added ?

UPRIGAZ agrees with CEER's approach on the presentation of the 2021 work programme and deliverables expected from such programme.

Work item 1 : Self-Assessment Status Report 2019 for the Roadmap to 2025 Well-Functioning Retail Energy Markets

UPRIGAZ is in favor of this roadmap that gives incentives to each NRA to follow 25 metrics and to report on the gap between the objectives and their realization. UPRIGAZ is also in favor of a benchmarking by CEER between NRAs of such roadmap at least for the most important metrics.

Work item 2 : Advice on trustworthy information on green electricity contracts/the origin of electricity and consumer protection against misleading marketing ("greenwashing")

A European system of Guarantees of Origin would best fulfill the goal to ensure the final consumers that their electricity supply can be qualified as green. CEER could play a leading role to foster such European system of GO.

Work item 3 : Guidelines of Good Practice on future-proof comparison tools for the energy sector

UPRIGAZ believes that the freedom to contract between suppliers and consumers is essential in a well-functioning competitive internal market. Such freedom result in a wide range of contracts in terms of

duration, volumes, price and indexation, and this diversity allows to satisfy each sector of demand in the most effective manner. UPRIGAZ is also adamant to ensure protection of commercial and private data.

Work item 4 : Paper on digitalization as a driver for better retail market functioning - key challenges and recommendations

In considering the implications of digitalization for the energy system, the NRAs' objective is to enable the benefits to consumers and to protect them against risks. For example, one key consideration will be how to use data in increased and more efficient forms whilst satisfying the requirements of the General Data Protection Regulation (GDPR). Following the observations made, CEER would then make recommendations on how those challenges could be overcome.

Do you have any specific comment on this individual deliverable ?

UPRIGAZ is in favor of a regulation of data by NRAs in full compliance with GDPR. However, UPRIGAZ considers that consumers should be entitled to receive the full benefit of the management of their data by all the acknowledged actors of their value chain (suppliers, shippers...) with a view to optimize their energy cost. Therefore, regulation of individual data by RAs should ensure consistency of data protection and commercial efficiency.

Work item 5 : ACER-CEER Market Monitoring Report

This annual ACER-CEER Market Monitoring Report covers wholesale gas and electricity markets and monitors consumer empowerment and retail markets developments across Europe. The report will include deep insights into retail market developments, including prices, price regulations and market structures, and standing and new consumer issues such as energy poverty and active energy consumption. The primary data source of CEER inputs is CEER's national indicators and respective surveys.

Do you have any specific comment on this individual deliverable?

UPRIGAZ has followed up the ACER CEER yearly Monitoring reports that give an overall view of the progress of the opening of the EU energy market. UPRIGAZ welcomes the initiative of ACER-CEER to enrich the document with a report on the new market developments fostered by the implementation of CEER 3D strategy.

Work item 6 : CEER Customer Conference

CEER's flagship event to engage directly with consumer representatives on how the Clean Energy for all Europeans legislation can be best implemented in practice, with a focus on empowering and engaging consumers to become fully-fledged market players.

Do you have any specific comment on this individual deliverable?

UPRIGAZ considers that CEER Consumer Conference is a yearly main opportunity for stakeholders of the energy value chain together with consumers, with a view to exploring the ways and means to develop market integration, sector coupling and an increasing involvement of consumers as self producers and actors of demand management.

Work item 7 : Updated Paper on unsupported RES

The 2019 CEER paper on unsupported RES showed how RES electricity is handled in the Member States after their financial support time ended. One of the main conclusions of that paper was that starting from 2020, the support time for more and more RES installations will end throughout Europe. Therefore, this paper aims to provide an updated overview and will include a short questionnaire to NRAs.

Do you have any specific comment on this individual deliverable?

UPRIGAZ share the views of CEER on the opportunity to better identify supported and unsupported respective contributions to the development of RES. UPRIGAZ agrees with the intention of CEER to request such information from NRAs.

Work item 8 : ACER-CEER contribution(s) on revision of TEN-E Regulation

This paper will analyze the proposed revision (planned for Q4 2020) of the Trans-European Networks for Energy (TEN-E) Regulation and to share the views of the European energy regulators.

Do you have any specific comment on this individual deliverable?

UPRIGAZ welcomes the contribution(s) of ACER–CEER to the proposed revision of the TEN –E Regulation and their proposal to consolidate the views of NRAs on such matters.

Working item 9 : Sector coupling - integration across sectors

The energy transition foresees an increasingly important role for electricity because of its role in decarbonization with a high share of renewables, a growing level of digitalization in communication and automatization in industry and a shifting of energy demand through the electrification of additional areas. It is important to consider how the electricity system needs to adapt to cope with these new developments and requirements.

Do you have any specific comment on this individual deliverable?

UPRIGAZ shares the views of CEER on the merits of sector coupling as a means of integration of local RES and centralized electricity production. Considering how the electricity system can adapt to cope with the new developments and requirements and promoting adequate regulatory measures should be at the 2021 to 2025 CEER's agenda.

Furthermore, UPRIGAZ wish that the interface between electricity and gas be considered simultaneously. Digitalization makes such options feasible, provided however that no legislative or regulatory dispositions are taken in Eu member states that may prevent the implementation of electricity and gas coupling at consumers level.

Working item 10 : Paper on the integration of offshore/hybrid grids into the electricity market design

This CEER paper aims to address how offshore grids are to be integrated in the electricity market. Connecting markets (with interconnectors) and offshore generation (with connection lines) is complex and expensive.

Synergies might exist in combining the functions, but roles and responsibilities need to be clear cut and conformity with operational requirements, and market design should be investigated.

Do you have any specific comment on this individual deliverable?

UPRIGAZ shares the views of CEER on the necessity to value the merits of new offshore production facilities and grids not only on their intrinsic capacities and costs but as forming part of an integrated electricity transportation and market design. Such approach should form part of national governments and NRAs when new offshore capacities are subject to call for bids or individual initiatives. A comprehensive analysis of the opportunities (additional green power resources, power to gas facilities...) and constraints (security of supply ; grid reinforcement...) should always be required from developers.

Working item 11 : Report on regulatory mechanisms to incentivize reductions in methane emissions in gas networks

The reduction of methane emissions in the gas sector is an important task for the whole gas industry. Through the regulatory framework, NRAs contribute to this task by applying different mechanisms that incentivize network operators to reduce methane emissions in their networks. This report summarizes the mechanisms applied. It will cover different aspects including metering actual emissions (tools existing or to be developed), the adaptation of installations to reduce leakages and regulatory incentives based on the effectiveness of operators' management of emissions reduction.

Do you have any specific comment on this individual deliverable?

UPRIGAZ has a feeling that much has already been done by TSOs in the EU to reduce emissions in gas networks. By incentivizing suppliers to access to underground storage capacities at competitive market conditions, France has significantly limited the recourse to compression during daily peak gas demand, thus contributing to a limitation of CO2 emissions. We would welcome an EU benchmarking of emissions on transmission and distribution networks across the EU.

Work item 12 : Paper on long-term storage

Energy storage is an important aspect of sector coupling ; solutions to the intermittence of RES power generation are expected to come from the gas sector. Different technologies could be at stake, including power-to-gas, allowing the development of solutions aimed at storing energy to a larger scale than in batteries, for example. New issues would arise in terms of regulatory treatment of installations or storage services, with questions of valuation for users and cost coverage/services pricing. Starting from the experience of underground storage, this CEER paper will investigate the implementation of long term storage under technical, economic and regulatory aspects.

Do you have any specific comment on this individual deliverable?

UPRIGAZ fully shares the analysis of CEER according which the gas system as a whole and underground storage in particular is a major asset to ensure the security of supply and the economic optimization of the energy system as a whole. We therefore welcome CEER's proposal to include in the 2021 WP a comprehensive study on the different options to store energy and the establishment of a methodology to rank each of them.

Peak shaving of electricity demand is a major challenge to secure the energy transition and fostering a clear view on the merit order of the different options, both in terms of gas and electricity facilities, is a top priority for UPRIGAZ.

Working item 13 : Paper on regulatory innovations for smart sector integration

Under the European Green Deal priorities, the EC launched a strategy to meet climate objectives, while also guaranteeing secure and affordable energy for consumers by exploiting the synergies enabled by an integrated energy system. Sectoral integration aims include :

- the electrification of sectors that currently still rely on fossil fuels, for example, electric vehicles in the transport sector, or heat pumps for heating buildings,
- renewable and decarbonized hydrogen, gases and fuels for sectors which are hard to decarbonize such as air transport and some industrial processes,
- a more 'circular' and efficient energy system, for example, the use of waste heat from industry or data centers to heat buildings.

This strategy naturally entails regulatory challenges for the gas sector. To this end, CEER intends to continue to develop position papers that can contribute to this discussion, investigating the areas of convergence and the associated challenges.

Do you have any specific comment on this individual deliverable?

We have no specific comment.

Working item 14 : Short paper on the market test on flexibility and storage

This short paper is to provide guidance for DSOs on the market test for flexibility and storage, as a requirement in case DSOs want to own storage following Article 32(1) of the Electricity Directive. The paper would also look to clarify the issue of double charging network tariffs to storage facilities. In addition, the paper plans to include information on the platforms, and it follows up on the priority area of ensuring effective price-signals from the CEER (2019) Digitalization paper.

Do you have any specific comment on this individual deliverable?

In line with its response to item 12 and 13, UPRIGAZ is in favor of this CEER paper on flexibility and storage assessment.

Working item 15 : Short paper on distribution network planning

This paper will focus on distribution network planning and will be a follow-up from the workshop to be organized by the end of 2020. The paper intends to include Distribution Network Development Plans (DNPs), while also touching upon current challenges such as sector coupling, whole system approach and stranded assets. With the development plans, NRAs will be able to monitor DSOs network development, especially on flexibility and energy storages. Plans will help NRAs to see whether DSOs are considering alternative solutions

to traditional network investments. They will enhance the possibility to follow DSOs investment cost efficiency and measures done for energy efficiency.

Do you have any specific comment on this individual deliverable ?

UPRIGAZ considers that distribution networks planning is a key element to give adequate signals to the promoters of RES, both in the electricity and gas sectors. Unlike in the historical systems, the development of distribution networks is no longer triggered by the localization of demand, but also by the opportunity of supply sources (wind mills, photovoltaic, biomethane...). We therefore welcome CEER's initiative to foster adequate regulatory measures that should take into account the new approach by NRAs.

Working item 16 : Paper on tariffs for sharing for energy communities

This paper will be a more specific follow-up from the 2019 CEER report on regulatory aspects of self-consumption and energy communities. As the concepts of jointly acting active consumers, jointly acting renewable self-consumers and citizen and renewable energy communities are being transposed into national law energy sharing will become more prevalent across Europe. Network tariffs applied to sharing schemes are an important factor for the "business model" of such schemes and need to be in line with the general principles of network tariffs. Directive 2019/944 (Art 16.3) for instance says that "For the purposes of point (e) [sharing] of the first subparagraph, where electricity is shared, this shall be without prejudice to applicable network charges, tariffs and levies, in accordance with a transparent cost-benefit analysis of distributed energy resources developed by the competent national authority." CEER could evaluate what such a CBA could look like and how cost-reflective tariffs could be implemented for communities in different tariff systems.

Do you have any specific comment on this individual deliverable ?

UPRIGAZ is of the opinion that access tariffs to the networks should be neutral, whether against the nature of the supply (centralized or local, renewable or traditional) so as to limit the risk of economic distortions through cross subsidies. CEER should therefore be adamant to prevent the adoption by NRAs of regulatory measures that would distort competition between suppliers, or between buyers in the case of « energy communities ».

Working item 17 : Report on Quality Regulation

The report should give an overview of the use of quality regulation regimes among the Members and Observers of CEER. This report will focus on national regulatory regimes that use bonus and penalty system based on continuity indicators in the electricity sector. In addition, it will give an overview of the impact of distributed generation on quality standards and Continuity of Supply (CoS) regulation.

Do you have any specific comment on this individual deliverable ?

UPRIGAZ fully shares the objectives of CEER to establish a benchmark among member states on Quality of service. The range of this analysis has been broadly widened by digitalization, in particular smart grids and smart meters, thus opening the concept of quality far beyond the continuity of service , in particular for data regulation and the quality and delay for data transmission to stakeholders.

Working item 18 : 3rd CEER Report on Power Losses

The 2nd edition of the CEER Report on Power Losses was published in early 2020. As a preparation for working on the next edition, CEER will start the preliminary work in 2021 for publication of the next edition in 2022. This report will again provides a detailed overview of power losses (transmission and distribution) in electrical grids – the levels of losses, how they are defined, calculated and valued across as many European countries as possible (the 2nd report included 35 countries).

Do you have any specific comment on this individual deliverable?

UPRIGAZ welcomes the prospect of a new publication of the report on power losses in 2022.

Working item 19 : Regulatory Frameworks Report 2021

The Regulatory Frameworks Report is an annual report which delivers a general overview of the implemented national energy regulatory regimes, the efficiency developments and analyses the overall determination of capital costs. This report was previously named the Investment Conditions Report. For years, the report is highly appreciated by many stakeholders as it provides a clear overview of the national regulatory regimes for the energy sector. The 2021 report will be the 10th edition of such a report.

Do you have any specific comment on this individual deliverable ?

UPRIGAZ considers the Regulatory report of CEER as an essential working tool for the energy sector and welcomes the 10th anniversary of the document in 2021 !

Working item 20 : TSO Cost Efficiency Benchmark (TCB21)

The TSO Cost Efficiency Benchmark is a CEER deliverable that periodically measures the TSOs' cost efficiency. Such a benchmark is to ensure that tariffs that are based on efficient costs as stipulated by European law. This TSO Cost Efficiency Benchmark 2021 (TCB21) will be the sixth edition for electricity and the third for gas. The research will likely again include several workshops for the participating NRAs and TSOs.

Do you have any specific comment on this individual deliverable ?

UPRIGAZ welcomes the continuous publication of the TSO Cost Efficiency benchmark, which is a useful component of the overall benchmarking of the infrastructure operators in the EU.

Working item 21 : Advice on financial regulation and the links to REMIT

Gas and electricity markets have their own dedicated regulation to address market abuse and transparency – the REMIT – where energy regulators play a key role in ensuring compliance. Energy regulators will stay abreast of development and will advise where appropriate on any proposed legislative changes.

Do you have any specific comment on this individual deliverable ?

UPRIGAZ is in favor of the ACER initiative to create a REMIT monitoring platform that would gather all the relevant information on transactions in real time and on a confidential basis, with a view to alleviate as much as possible the duties and obligations of energy suppliers while respecting the REMIT regulation.

Working item 22

The COVID-19 pandemic : lessons learned about crisis preparedness and management in the energy sector and approaches to protecting energy consumers.

Beyond the immediate impact on health, the current COVID 19 crisis has major implications for global economies and the energy markets. The entire energy sector, national energy regulators and ministries have been working hard to keep the lights on and ensuring energy system are resilient, protecting the interests of consumers, particularly the most vulnerable. We are still in the process of developing a clear picture of its immediate effects, let alone the long-term consequences. However, we can already observe that more and more consumers are falling behind on paying their energy bills and this is a challenge for energy companies who are likely to see arrears paid back over a longer period and some debt might be irrecoverable. Attempts to draw wider lessons from the measures and policies adopted, in particular, to make sure the right protections are in place to support consumers, will be instrumental in order to be prepared to respond to future crisis.

Do you have any specific comment on this individual deliverable ?

UPRIGAZ shares CEER's views that the energy industry has secured a full energy service to customers during the crisis in spite of all the constraints raised by the pandemic. While acknowledging the specific difficulties of the less solvable segment of customers and the measures taken by government in their support, UPRIGAZ has observed less justified measures towards affordable customers that have resulted in payment delays.

Working item 23 : Report on Dynamic regulation from NRAs' perspective (tools and processes)

Following the paper on dynamic regulation of 2020, CEER will continue to analyze and report on the tools and processes of dynamic regulation within NRAs and will update the overview on how the dynamic regulation is being implemented.

Do you have any specific comment on this individual deliverable ?

UPRIGAZ fully concurs with the interest of following up this report on dynamic regulation from NRA's perspective.

Working item 24 : Status Report on unbundling 2021

The report will assess developments in the certification of the TSOs at a national level since the previous unbundling & certification report. What has changed? How many NRAs' certification decisions have been modified, renewed or withdrawn? What are the consequences for the unbundling? What is the possible impact of the Clean Energy for All Europeans proposals on unbundling?

Do you have any specific comment on this individual deliverable?

UPRIGAZ sees the interest of this document, but makes the suggestion to limit its issuing to an interval of 2 or 3 years.