



Paris, April 22, 2021

CEER public consultation on the new draft strategy

Q1 – To what extent have we captured with the three regulatory dimensions energy regulators’ proper focus to empower consumers for the energy transition?

UPRIGAZ welcomes CEER's approach to regulating gas and electricity in a comprehensive and technological neutral manner with the objective of adapting the regulation of gas and electricity as an integrated energy system.

UPRIGAZ is pleased that CEER takes into account the role of consumers in the energy transition and the recognition of their growing power as players in the system. Regarding this point, UPRIGAZ is in favor of a regulation giving to suppliers access to the individual data of consumers, , with a view to enabling suppliers to propose the most relevant options, provided however that consumers agree to the transmission of their data?

UPRIGAZ also adheres to the flexible regulation approach that adapts to the transformation of energy markets and technological/new services developments in order to tackle the challenges of the development of renewable energies, the increase of the electrification of the activities and the mobility as well as the decarbonisation of the economy. Uprigaz is also pleased that CEER recognizes the role of natural gas as a flexible tool for the energy transition.

UPRIGAZ wishes however to stress that energy regulation at EU level should also ensure that Member States and national regulators follow policies that do not arbitrarily limit the contribution of any component of the energy mix, that respect a principle of technological neutrality and that refrain from any legislative or regulatory decision making more unlikely to achieve the objectives of the Green Deal at the lowest cost for consumers.

As an example, UPRIGAZ emphasizes the potential negative effects for consumers of the new French thermal regulation RE2020 that does not take into account renewable gas and favors electricity - even when it is carbonated to cover peak demand in winter - and therefore preclude the use of gas, even green, in new buildings. It is also the case when the French law excludes any new development of CCGTs which could contribute, under good environmental conditions, in covering peak demand of electricity and in the safety of the electrical system, when non dispatchable electric renewables are taking more importance.

UPRIGAZ approves the three foundations of the regulatory policy proposed by CEER :

- Enabling Energy System Integration,
- Placing consumers at the center of energy markets,
- Ensuring well-functioning market delivering flexibility.

Regarding the goals for the consumer to be an active actor of the energy a key attention should be given to the need to facilitate data access to suppliers in order to propose innovative offers that stimulate demand-side management and consumption reduction.

Q2 – Are the six core areas the appropriate areas of focus for CEER’s work in 2022-2025 ?

UPRIGAZ also adheres to the 6 items proposed by CEER to implement these three objectives :

- Energy system integration
- Sustainable and efficient infrastructure
- Consumer-centric design
- Decentralized and local energy
- Well — functioning markets
- Flexibility

Regarding the item “Ensuring well-functioning markets delivering flexibility”, UPRIGAZ would like to highlight two issues:

- CEER mentions several times "market-based flexibility" solutions but suggests that DSOs could own and manage storage themselves. It is necessary that CEER clarify this point to make sure that the framework is the one endorsed by the Electricity Directive of 2019, which clearly states that the possibility for a DSO to operate/own storage is only an exception. The rule is that flexibilities are to be provided by market players
- The CEER refers to "dynamic tariffs" (dynamic tariffs requires local granularity): if the idea of CEER is here to promote a possible dynamic pricing of gas, UPRIGAZ would oppose such an initiative. Indeed, the application of such tariffs on the electricity market (as provided by the Electricity Directive of 2019) is already proving very complicated to implement and is not necessarily to the benefit of the consumer.

Q3 – Please indicate if you identify any missing important topic(s) for energy regulators within the stated six core areas ?

UPRIGAZ suggests that CEER should take into consideration, beyond the 6 items mentioned above, a new item which could address the acceptability by consumers and by European citizens of the consequences for

consumers of the choices by Member States of alternative electricity/gas mixes to achieve carbon neutrality in 2050.

Cost-benefit analyzes must be systematically carried out : in particular, the cost of developing renewable gas sources must include the benefit of having access to amortized transport and storage infrastructures and the positive externalities generated by the use of wastes.