


ACER

 Agency for the Cooperation
of Energy Regulators

The architecture of energy governance

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The opinions expressed in this presentation are those of the author and do not necessarily represent the official views of the Agency for the Cooperation of Energy Regulators unless explicitly stated otherwise

- **Single Energy Market: from national towards multilevel governance**
- **EU Governance in practice**
- **Conclusions**

1st Package
«First rules for the
internal market and
liberalisation»

2nd Package
«Speeding up
liberalisation and
market integration»

3rd Package
«EU-wide Institutional
and regulatory
framework»

Clean Energy Package
«Meeting the
decarbonisation
challenge»

*Obligation for MSs to
establish NRAs
independent from
industry*

*Strengthened NRAs
independence & powers
Establishment of ACER
and ENTSOs*

*ACER widening mission
and powers
New EU bodies (i.e. EU
DSO entity, RCCs)*

1996

1998

2003

2005

2009

2019

From national towards a multilevel and complex governance

NRAs governance:

- independent from any private or public entity
- with a separate annual budget and adequate human and financial resources

NRAs broad powers include:

- approval of transmission and distribution **tariffs**
- enforcement of **consumer protection** provisions
- application of **penalties**
- **Implementation of EU Network codes**

ACER: Agency for the Cooperation of Energy Regulators

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- **ENTSO-E:** European Network of Transmission System Operators in Electricity
- **ENTSO-G:** European Network of Transmission System Operators in Gas
- **EU DSO Entity (coming soon!):** European Entity for electricity Distribution system operators
- **RCCs (coming soon!):** Regional Coordination Centres (electricity)

entsoe

- 43 TSOs

entsog

- 44 TSOs



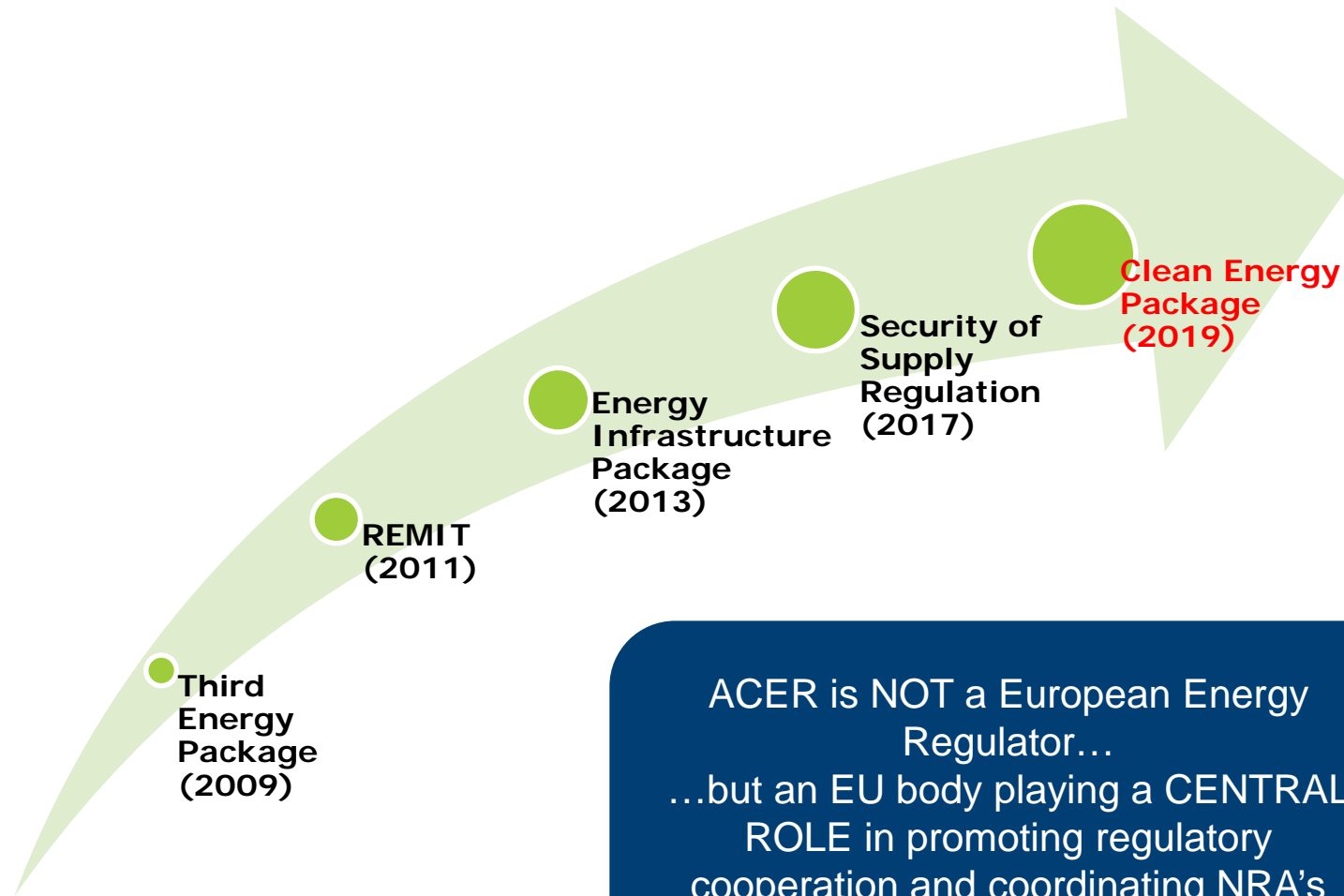
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ACER – an expanded role



ACER is NOT a European Energy Regulator...
...but an EU body playing a **CENTRAL ROLE** in promoting regulatory cooperation and coordinating NRA's activities in the EU

Technical advise to the EC for the design of EU regulation

- Developing framework guidelines and network codes
- And recommending them to the EC for adoption

Opinions on Infrastructure Planning

Taking binding individual decisions under the competence of NRAs (hard power) only on specific cases and if

- a) NRAs fail to reach an agreement or
- b) Upon request of concerned NRAs

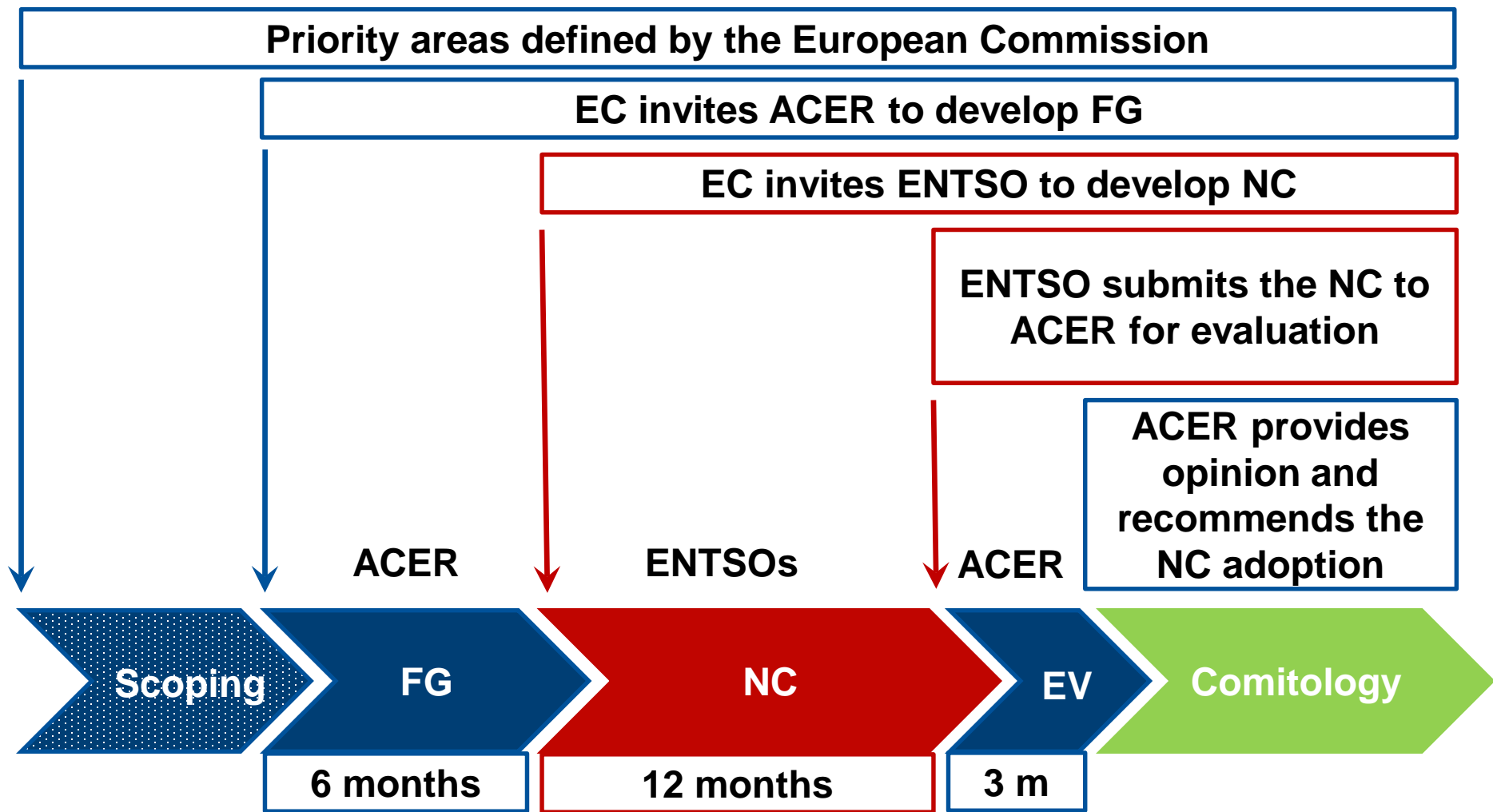
Advisory role towards EU institutions and NRAs

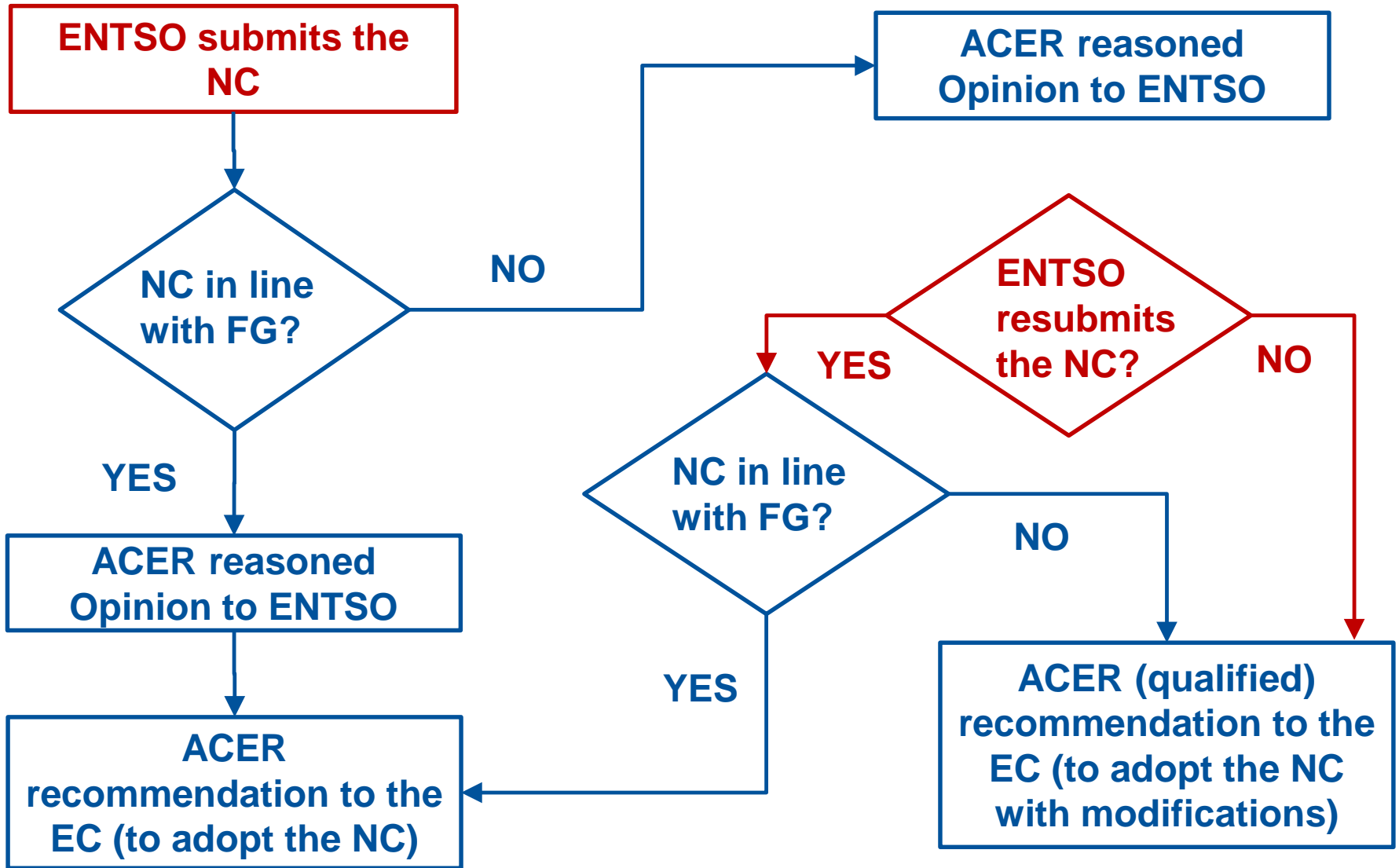
- Issuing non-binding opinions and recommendations

Monitoring the sector and the implementation of NC

- **Not only individual decisions and not only in case of disagreement**
- **New competences on the implementation of network codes**
- **and on a wider set of issues, for example on:**
 - Generation adequacy assessment and crisis scenario
 - Technical specifications for cross-border participation in capacity mechanisms
 - Reviewing of the bidding zones
 - Approval of Terms Conditions and Methodologies

FC and NC – Process Outline

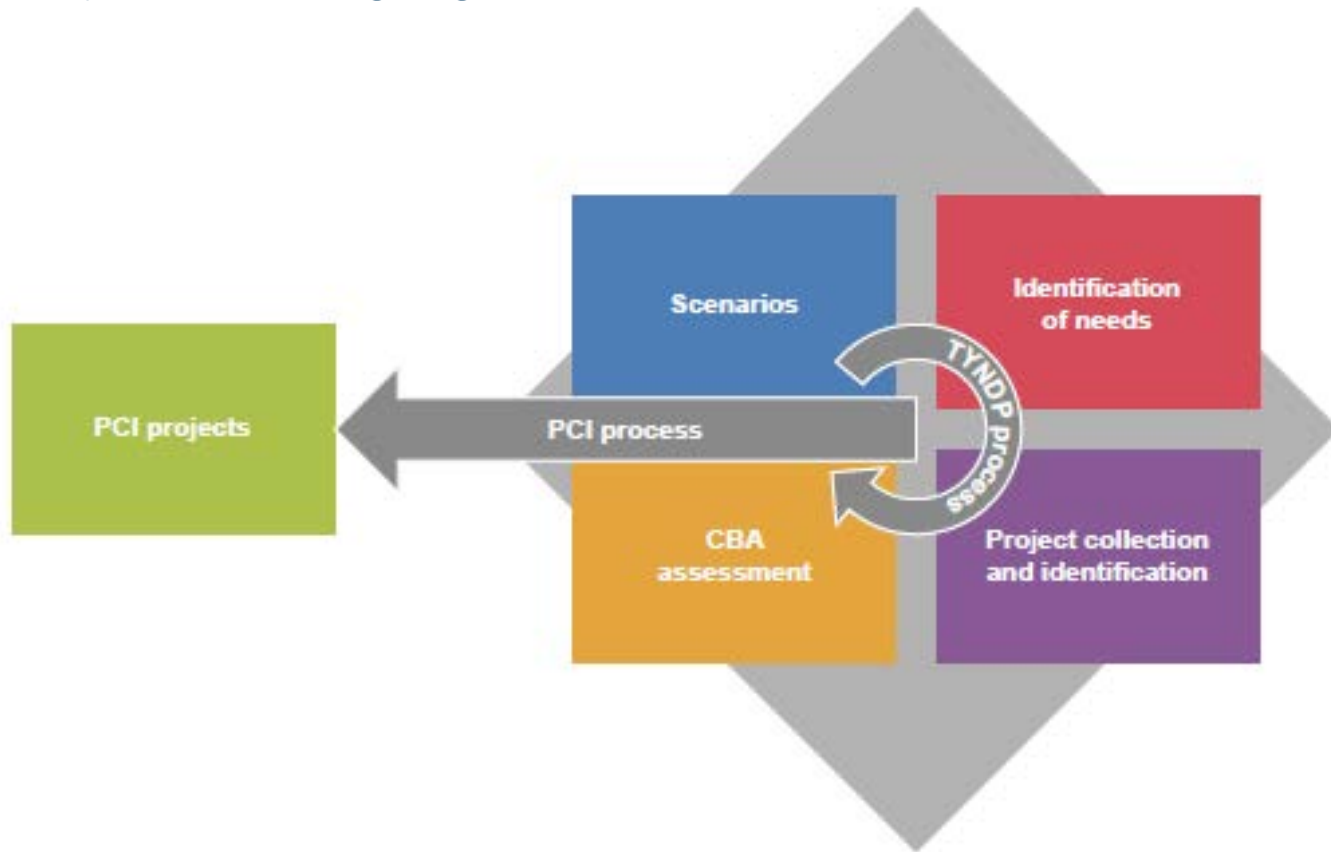




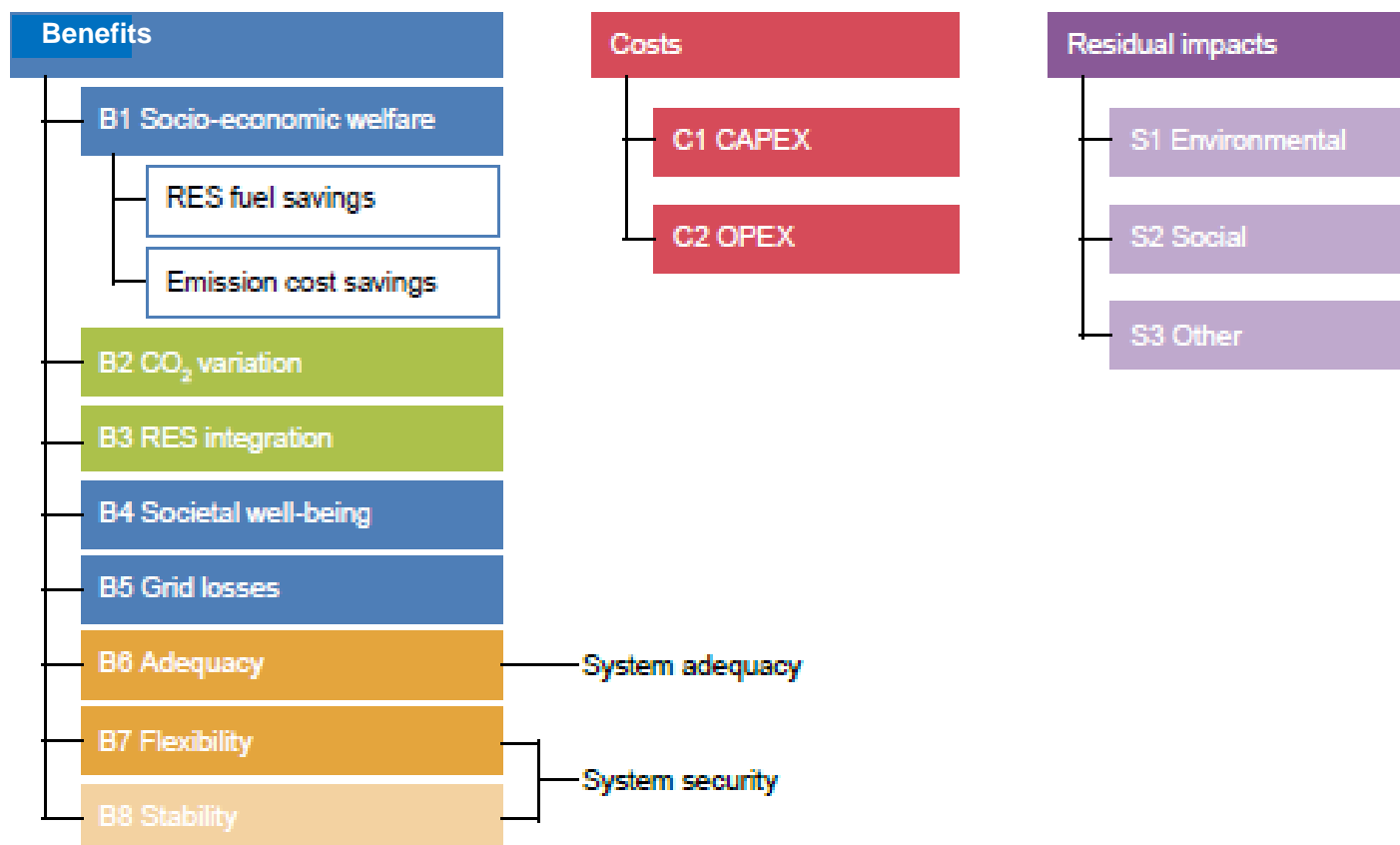
EU governance in practice: infrastructure planning

First pillar: TYNDP

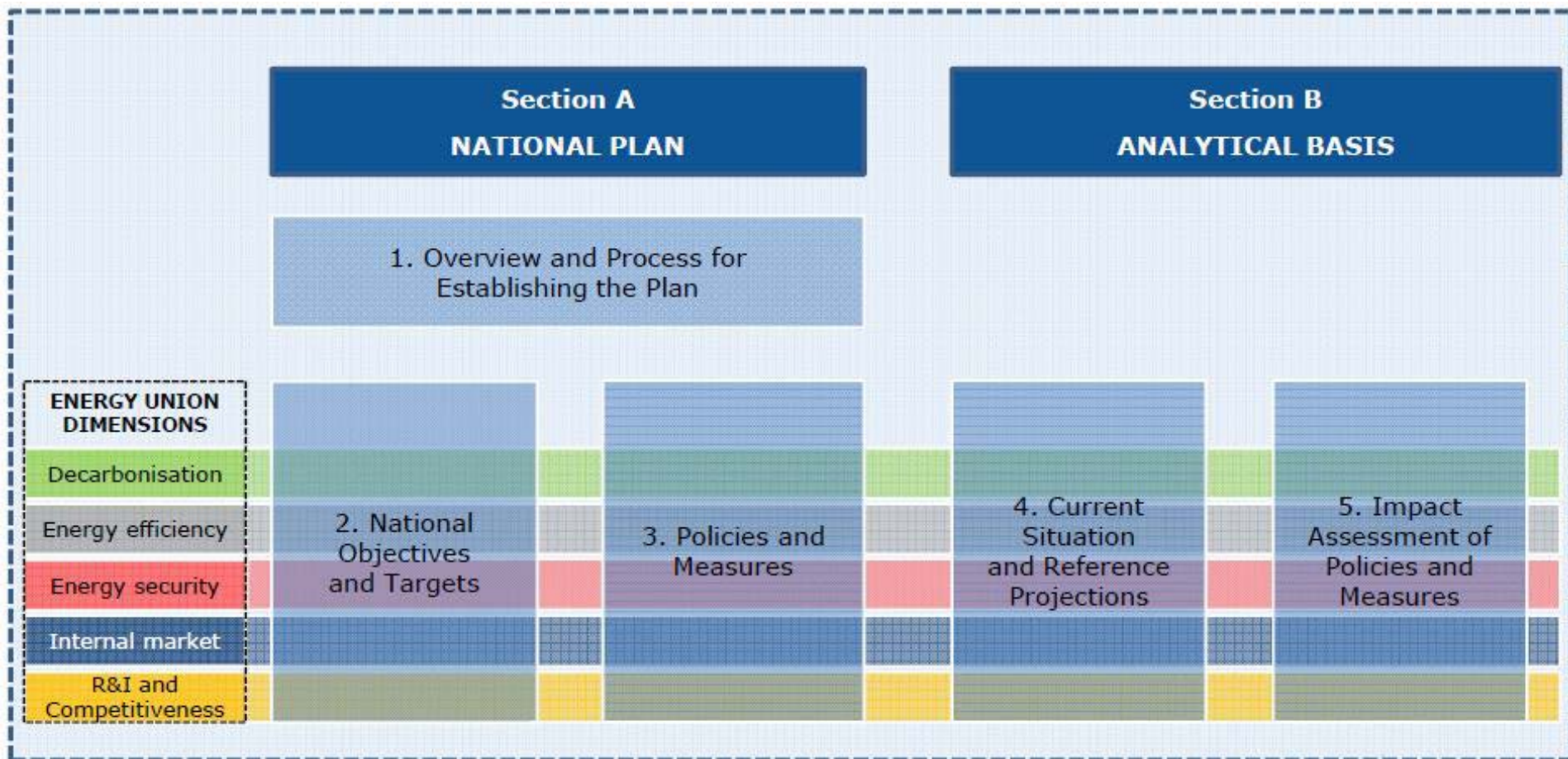
Cornerstone for reaching the Energy Union targets. The regulation 347/2013 has given the ENTSOs a crucial responsibility in managing the process



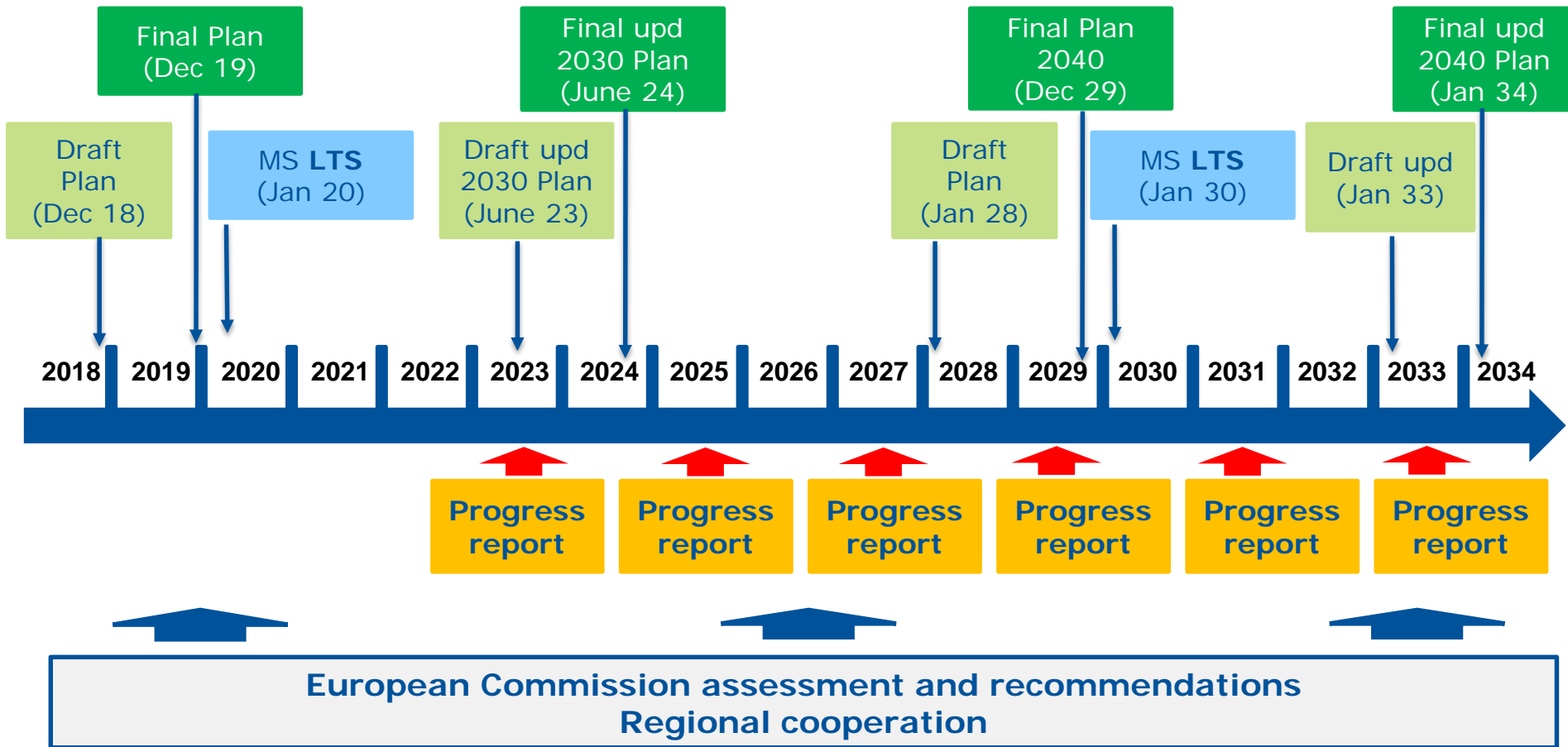
Each project is assessed using the pan-European CBA methodology, which includes 8 benefit indicators, 2 cost indicators and 3 indicators for residual impact



The integrated NECPs play a central role in the governance mechanism (Governance Regulation)



Second pillar - NECPs



- To identify **strategic infrastructure** and foster their deployment
- **EC approves PCI list** every 2 years
- PCIs benefit from a **streamlined permitting process** and can receive **EU funding**
- **Cost Benefit Cost Allocation** to align incentives

- **Cooperation has been successful but...**
- Decision process **complex** and sometimes inefficient
- Risk of EU **over-regulation**
- Importance of **active participation** by national stakeholders