



Paris, le 26 juin 2024

V2

Public consultation on CEER 2025 Work Programme

1. CEER proposes that the 2025 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.

Do you support how these areas flow into the draft 2025 Work Programme ?

UPRIGAZ considers that the six 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.

UPRIGAZ observes that European consumers question the beneficial effects of the opening of markets, very often considering that liberalization has resulted in an increase in prices. It is essential that the CEER provides relevant and convincing answers to demonstrate that the opening of the market has made it possible to ensure continuity of supply and to limit price increases resulting from the war in Ukraine.

2. Within each priority area, do you think the Work Programme focuses on the right work items 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 marketplaces 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.

CUSTOMERS AND RETAIL MARKETS

Work item 1:

Concept title : “Transparency and Comparability in the retail market”

Concept subtitle : “Working towards well-informed decisions with real comparable offers”

Description :

Energy is inherently complex, often resulting in transparency issues. Recent developments, such as dynamic pricing contracts and energy sharing, as well as existing features such as termination fees and bundle products, further complicate the comparison of different energy-products. Moreover, the demand-side response required to facilitate the energy transition necessitates additional knowledge and effort from consumers to fully grasp the ins and outs of the offers they subscribe to. This CEER deliverable aims to cover these critical topics by sharing expertise between NRAs and providing recommendations and/or guiding principles.

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

The increase in prices on the wholesale gas and electricity markets has consequences on retail prices, in particular for 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.

UPRIGAZ considers that suppliers must be encouraged to propose innovative offers adapted to the needs of different categories of customers. Furthermore, to protect consumers, UPRIGAZ considers that these offers must be able to be compared by independent organizations, and particularly the conditions for terminating contracts.

To offer consumers fixed price offers over periods of more than two years, a wholesale market should be encouraged with products with a maturity of more than two years so that this market is sufficiently liquid.

Work item 2 : ACER-CEER Energy retail markets and consumer protection report

Description :

The 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 sources for the report consist of the national indicators and surveys conducted by CEER. Beyond presenting the key results of our assessment of the functioning of the Internal Energy Market (IEM) in 2024, 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 ?

As we have highlighted previously, it seems necessary to us that the CEER in collaboration with the ACER insists in their report to the attention of the European Parliament on the role of the liberalized market in ensuring security of supply at the lowest cost as well as decarbonization of the energy mix to achieve the objectives of the Green Deal.

DISTRIBUTION SYSTEMS

Work item 3 : Smart Grid Indicators joint paper after the Copenhagen Forum

Description :

Following the publication of the joint ACER-CEER guidance paper (June 2024), the goal is to write a more in-depth paper. If possible, in consultation with all stakeholders to identify and define all pertinent network performance indicators (TSO and DSO) that can be used for regulatory purposes. The paper would also propose an inventory of all indicators, a short list of the most relevant ones, and, if need be, indicators that could be commonly defined at European level.

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

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 : National flexibility needs assessments either on DSO level

Description :

The new EMD regulation prescribes a national flexibility needs assessment that has to be submitted roughly within two years of the entry into force of the new rules. Therefore, ENTSO-E, EU DSO Entity and ACER will prepare together a methodology which should be available sometime during next year. This deliverable would aim to provide practical insight for NRAs to prepare the first flexibility needs assessment.

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

*The electrification of uses and the development of intermittent renewable energies require an adaptation of networks with the development of interconnections.
But to limit spending on infrastructure and means of production used during peak consumption, it is essential to encourage the flexibility of supply and demand.*

In terms of supply, it seems important to us to encourage different forms of electricity storage and to develop mechanisms for remuneration of operators according to the capacity offered and not only according to the energy injected into the network.

At the demand level, UPRIGAZ favors market instruments and the use of the price signal to ensure the supply-demand balance in real time.

Work item 5: GRID connection capacity challenges

Description :

As was already reported repeatedly by the Distributions Systems working group, many MS and their DSOs face challenges in connecting ever-increasing RES production and demand. Since the grid buildout cannot keep pace with the speed of demand increase, alternative tools and measures have to be used to tackle bottlenecks. This deliverable aims to dive deeper in best practices on how to allocate already existing capacity in a more efficient manner. National implementation of a flexible connection agreement framework could also be explored.

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

See response to work Item 4

Work item 6 : A new look at distribution network development plans

Description :

Since distribution infrastructure is a top EU priority (see EU Grid Action Plan) and considered a major barrier to the energy transition, distribution network planning should be re-examined from the following aspects ; (i) status of Clean Energy Package (CEP) implementation ; (ii) new developments ; a) anticipatory investments. B) new rules in the demand response network code, and c) AFIR ; and (iii) in relation to financing

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

In an environment of significant changes in the functioning of the electricity market with the development of intermittent renewable energies sometimes located in areas far from consumption zones, and an acceleration in the electrification of uses, UPRIGAZ considers that the networks must adapt to this new environment. This adaptation will generate high costs with network reinforcements and digitalization costs. Regulators will have to ensure that network ensure these changes under the best conditions and at the lowest cost.

Work item 7 : CEER Benchmarking report 7.1 on the Continuity of Electricity and Gas Supply

Description

Data update of interruption indicators for 2019, 2020, 2021, 2022 and 2023.

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

No comment.

ELECTRICITY

Work item 8 : 4th unsupported RES report

Description

Update of the paper on how RES electricity is handled in MS after their support time ended.

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

No comment.

ELECTRICITY & GAS

Work item 9 : Regulatory Frameworks Report of European Energy Networks 2025

Description

This report provides a general overview of the regulatory regimes applied in 2024 and the required efficiency developments

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

See response to work Item 6

UPRIGAZ suggests reflecting on the consequences of the decrease in natural gas consumption on the networks even though there is a strong potential for renewable gas in Europe that is still insufficiently exploited. The issue of possible stranded costs should also be taken into account.

MARKET INTEGRITY AND TRANSPARENCY

Work item 10 : Financial regulation and the links to REMIT

Description

Wholesale energy markets have their own dedicated regulation to address market abuse and transparency – REMIT. However, the link between REMIT and financial regulation has been strengthened through the new framework established in REMIT II. When its scope has been extended to wholesale energy products that are also financial instruments, which were previously the sole competence of financial regulation. Hence, REMIT II also reinforced cooperation between energy and financial regulators, who must regularly coordinate their actions to ensure proper energy market functioning from a regulatory perspective. Consequently, with this ongoing activity, CEER will continue to monitor the developments in financial regulation and provide an opportunity for NRAs to exchange their experiences when cooperating with financial regulators

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

UPRIGAZ considers that the monitoring of wholesale markets carried out under REMIT is satisfactory. We must avoid other mechanisms being added to the rules set by REMIT

REGULATORY BENCHMARKING AND LEGAL

Work item 11 : Guidelines of Good Practice of Regulatory Impact Assessment

Description :

The objective is to develop a set of Guidelines on Regulatory Impact Assessment (RIA). It will use the results of the Benchmarking Report on RIA methodologies to share best practices and to create a common frame of reference on the subject for European regulators.

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

This subject must remain within the competence of ACER.

Work item 12 : Consultation on Guidelines on Regulatory Impact Assessment

Description

With a draft in hand, the fourth phase opens up the process to a wider audience through a public workshop or consultation. This guarantees transparency and inclusivity of the process, while giving a broader range of stakeholders the opportunity to review and comment on the draft guidelines. The feedback gathered from this public engagement is invaluable, as it provides diverse viewpoints and potential improvements. This phase is crucial to ensure that the guidelines are unbiased and accepted and valued by the wider community.

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

No comment.

Work item 13 : Public workshop on NRA independence in a multi-sectoral environment

Description

This workshop will serve to discuss the results of the CEER report on NRA independence in a multi-sectoral environment. We expect that NRAs' tasks will increase as public and political sentiment swings towards stronger regulation in some areas – for instance, we are seeing these tendencies in the areas of security of supply, energy efficiency, and renewable energy. The development of a comprehensive whole-system approach will require regulation at the margins and interfaces of various sectors, such as EVs. Furthermore, innovation and new business models will necessitate that regulation be swiftly developed. An overview of tasks that are outside the “core” regulatory business outlined in the Directives will provide insight into such recent developments. This overview could also indicate how NRAs are managing to cope with the issue of maintaining their independence in the face of such rapid developments

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

UPRIGAZ is committed to the independence of regulatory authorities. This independence but also the competence of regulators must be encouraged and guaranteed.

Work item 14 : LNG terminals : a new role in the framework of decarbonization ?

Description

CEER will study how LNG terminals could play a role in the decarbonization process through different alternatives, including bio LNG, e-LNG, pure hydrogen, ammonia, Liquid Organic Hydrogen Carriers (LOHC), synthetic fuels, CCUS...

CEER will gather and analyse information about adaptation projects of LNH terminals in Europe, as well as terminal projects related to new energy carriers. This analysis is based on the information obtained from regulators, LSOs and project developers, identifying possible barriers to decarbonization and providing solutions to overcome them. In addition, CEER will analyse whether it would be convenient to develop regulations that encompass different types of terminals.

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

No comment.