



- **Final agreement on the Third Energy Package**

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- Summary

- Where are we in the process?
- Main provisions the Third Package
- Retail Market measures
- Next Steps

● Third Package – The Road to Adoption

- 9 January 2009: transmission of the Common Position to the Parliament
- 23 March 2009: Final Trilogue
- 31 March 2009: ITRE
- 22 April 2009: EP Plenary; Adoption by the Parliament
- Summer 2009(?): Council's adoption

● Third Package – main measures

- Stronger powers for national regulators
 - » Monitoring, investigations, enforcement
- Regulatory Agency at EU level (ACER)
 - » Co-ordination of national regulators, Advice to Commission
- Effective unbundling of networks
 - » Ownership Unbundling, ISO, ITO
- Cooperation of network operators (ENTSO)
 - » Development of harmonised network rules
- Retail Market measures

● National Regulatory Authorities (NRAs)

- Independence from governments
- Need for legally distinct and functionally independent body
- Budgetary autonomy and adequate human and financial resources to carry out duties
- Mandate to cooperate at the European level
- Enhancement of statutory duties and powers
 - Fixing of transmission tariffs (calculation methods)
 - compliance of transmission and distribution system operators
 - extended monitoring duties
 - review investment plans of the transmission system operators
 - Functioning of retail market

● Agency for the Cooperation of Energy Regulators (ACER)

- Complement and coordinate work of NRA
- Individual decision making powers for specific cross-border issues (e.g. TPA exemptions for new interconnectors if no agreement by NRAs)
- Key tool: adoption of “non-binding framework guidelines” for development of network codes
- Advise on wide range of issues (e.g. network codes, certification of TSOs, TSOs’ 10 years network development plan)
- Monitor and review the work of the EU TSO Cooperation and implementation of network codes

● Organisation of ACER

● Administrative Board

- » Unique composition: 9 members, 5 appointed by Council, 2 appointed by the European Parliament and 2 from the Commission
- » Responsible for governance of ACER (Budget, formal appointments, Work Programme...)

● Board of Regulators (BoR)

- » Composed of senior representatives from NRAs
- » BoR decides on the substance, gives guidance to Director

● Director

- » Rather a management and representation role

● Board of Appeal

Effective unbundling and creation of ENTSO

- Beyond “Ownership unbundling” and “Independent system operator (ISO)” compromise on third option: “Independent Transmission Operator (ITO)”
- Independence of « ITO »
 - Grandfathering clause
 - Obligations regarding resources of TSO
 - Independent management: deontology rules, supervisory board, regulatory oversight
 - Compliance officer
 - Revision clause
- Establishment of European Network of Transmission System Operators (ENTSO)
 - Mandatory cooperation of TSOs
 - 10-year network development plan
 - Network codes

● Network codes

1. network security and reliability rules including rules for technical transmission reserve capacity for operational network security;
2. grid connection rules;
3. third party access rules;
4. data exchange and settlement rules;
5. interoperability rules;
6. operational procedures in an emergency;
7. capacity allocation and congestion management rules;
8. rules for trading related to technical and operational provision of network access services and system balancing;
9. transparency rules;
10. balancing rules including network related reserve power rules;
11. rules regarding harmonised transmission tariff structures including locational signals and inter-TSO compensation rules;
12. energy efficiency regarding electricity networks

● Retail Market issues: general

- Increased role for regulators
 - » Implementation and monitoring of consumer protection and retail market functioning
 - » Investigation powers
 - » Issue binding decisions
 - » Penalties
- Complaint handling measures
 - » Single contact points
 - » Ombudsmen
- Protection of consumers
 - » Member State definition of vulnerable consumers that may refer to energy poverty
 - » prohibition on disconnection at critical times

● Retail Market Issues: a major role for the DSO

- Published rules on the roles and responsibilities of all market players
- Information for consumers: European Energy Consumer Checklist
- New deadlines on switching, 3 weeks, and receipt of final bill, 6 weeks.
- Consumer access to consumption data
- Promotion of Smart Grids
- Implementation of Smart Metering

● Smart Metering

- Strong support from the Parliament
- Declaration by the Commission to help with interpretation
- Assessment within 18 months of long term costs and benefits
- Those positively assessed to be installed within 10 years...
- Otherwise: 80% by 2020.
- First step towards Smart Grids

● Next steps

- Final adoption of the Third Package during the Summer
- Interpretative notes for retail market measures:
 - » Consumer issues
 - » Smart Metering implementation
- Presentation of the Interpretative Notes at the Citizens' Energy Forum (29, 30 September)



Thank you for your attention

