



# E-CONTROL

WORKING FOR YOU – WHEREVER YOU NEED ENERGY.



**E-CONTROL**



# **The Role of NRAs in the energy sector**

**from a european perspective**

# Legal Background

---

- 2<sup>nd</sup> Liberalisation Package 2003
  - requirement to establish national regulatory authorities (NRAs)
    - NRAs need to be independent from industry
    - set of powers of NRAs restricted to national market
- 3<sup>rd</sup> Liberalisation package 2010
  - requirement of designating a single NRA at national level in order to bundle all competences
  - Strengthening the independence of NRAs
  - extension of powers and duties (focus on customers)
  - establishment of ACER (with the aim to harmonise cross-border rules)

# General objectives of NRAs

---

- achieving an effective internal market by enhancing the opening of the internal market (IEM by 2014)
  - promoting a competitive, secure and environmentally sustainably internal market
  - promoting competitive and functioning regional markets within the Community
  - eliminating restrictions on trade
  - facilitating access to network for new market entrants
  - acting customer oriented - obligation to ensure that customers benefit from the efficient functioning

# Core duties of NRAs

---

- Setting tariffs and rules for access to transmission and distribution networks:
- General oversight of energy companies: ensuring compliance with all relevant provisions
- Consumer protection: helping to ensure that the consumer protection measures are effective and enforced;

# Powers of NRAs

---

- implementing of measures to promote effective competition and to ensure proper functioning of the market
- demanding information from undertakings relevant to fulfill tasks
- imposing effective, proportionate and dissuasive penalties
- acting as a dispute settlement authority

# Independence of NRAs (1)

---

- **Impartiality:**
  - NRAs have to act and take decisions in a neutral way, based on objective criteria and methodologies
- **Transparency:**
  - NRAs must adopt and publish their rules of procedure; this includes procedures for decision making; NRAs must have clear contact points for all stakeholders and publish information on their own organisation and structure
  - NRAs should consult stakeholders before taking important decisions
  - NRAs must publish their decisions

# Independence of NRAs (2)

- Independence
  - NRA is legally distinct and functionally independent from any other public or private entity
  - NRA decisions are immediately binding and directly applicable without the need for any formal or other approval of any other third party
  - Financial independence (adequate resources and autonomy on how to spend the allocated budget)
  - NRA staff has to act independently from any market interest and do not take direct instructions from any government or other entity when carrying out the regulatory tasks. → but close cooperation with other authorities (e.g. competition authorities) is allowed.
  - The NRAs board or top management are appointed for a fixed term of five up to seven years, renewable once.



# International cooperation of NRAs

---

- Aspects of NRA cooperation
  - Regional market integration
  - Information exchange
  - Training aspects
  - Policy
- Voluntary cooperation vs cooperation based on a legal framework
- Geographic dimension of cooperation
  - Cooperation with neighboring NRAs (e.g. ECRB, ACER regional initiatives)
  - Cooperation in a wider geographic perspective (e.g. ACER, CEER, ERRRA)
  - Cooperation at a global scale (IERN, ICER, WFER)



**E-CONTROL**

---

## Contact

### Dietmar Preinstorfer



+ 43 1 24 7 24 203



dietmar.preinstorfer@e-control.at



[www.e-control.at](http://www.e-control.at)



# E-CONTROL

WORKING FOR YOU – WHEREVER YOU NEED ENERGY.