ACER
Agency for the Cooperation of Energy Regulators

Energy Regulation: A Bridge to 2025

Evaluation of responses to public consultation

Agency for the Cooperation of Energy Regulators

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Contents

1 Introduction

This paper summarises the responses received, and provides a detailed evaluation of the points raised, in relation to the Agency for the Cooperation of Energy Regulators' (the Agency) consultation document "European Energy Regulation: A Bridge to 2025"[1]. In the present document we explain how these responses have been reflected in our conclusions which can be found in "Energy Regulation: A Bridge to 2025 - Recommendation of the Agency on the regulatory response to the future challenges emerging from developments in the internal energy market", ("conclusions paper") which was adopted on 19 September 2014[2].

The public consultation launched by the Agency, in close collaboration with the Council for European Energy Regulators (CEER), solicited feedback from various stakeholders on the consultation paper as published on 29 April 2014 on the Agency's website. In particular, it sought reactions on expected developments in the gas and electricity sectors, the increasing importance of infrastructure, trends in retail markets, the changing role of distribution system operators (DSOs), as well as governance arrangements. It also proposed a suite of regulatory actions to ensure that energy markets continue to operate to the benefit of European consumers in the future. The public consultation lasted six weeks and closed on 16 June 2014.

The consultation paper was based on the extensive input previously received through the 'Bridge to 2025' consultation process, including our pre-consultation[3] with launch workshop on 6 November 2013. In evaluating responses to the paper we also considered input gathered through our formal public consultation launch event held on 29 April 2014[4] and a closed workshop held on 5 June 2014.

The consultation resulted in a total of 141 responses, one of which was confidential, representing over 20 different countries and a range of stakeholders of varying sizes, including from the energy industry, consumer associations, DSOs, transmission system operators (TSOs), traders and retailers. Of these, a large number (58) were representing German DSOs and local utilities. Three consumer organisations responded (BEUC, IFIEC and Swedish Tenants). The Annex lists the names of all the respondents including their country of origin and the nature of their activity. The full responses to this and the pre-consultation can be read on our website.

[1] "European Energy Regulation: A Bridge to 2025" Public Consultation Paper, 29 April 2014
http://www.acer.europa.eu/Official_documents/Public_consultations/Pages/PC_2014_O_01.aspx
[2] "Energy Regulation: A Bridge to 2025" Conclusions Paper, 19 September 2014, which is attached to the ACER Recommendation of the Agency for the Cooperation of Energy Regulators No 05/2014 of 19 September 2014 on the regulatory response to the future challenges emerging from developments in the internal energy market
[3] "Energy Regulation: A Bridge to 2025" Pre-consultation Set of Papers, 6 November 2013
http://acer.europa.eu/Official_documents/Public_consultations/Pages/PC_2013_E_05.aspx
The 35 responses received can be found published on this webpage
[4] Launch of "Energy Regulation: A Bridge to 2025", 29 April 2014 http://www.acer.europa.eu/Media/Events/Launch-of-Energy-Regulation-A-Bridge-to-2025/default.aspx

2 Consultation questions

Our formal public consultation outlined our thinking on the challenges Europe's energy markets will face in the coming decade and identified a number of areas that may benefit from greater regulatory focus. Stakeholders were invited to: comment on those areas which might be prioritised and where the case for action is strongest; identify any additional actions that may be required in those areas; and, to identify other areas which may not have been covered.

Specifically, stakeholders were asked to address the following questions in relation to the consultation paper:

1. Have we identified correctly the issues and trends within each area of the energy sector?
2. Have we identified an appropriate regulatory response?
3. Which regulatory actions are most important and should be prioritised?
4. Are there other areas where we should focus?

3 Overview of responses

Most respondents did not comment on all sections of the paper but focused on the issues they considered were a priority.

The majority of stakeholders welcomed the Agency's consultation and shared the Agency's views on the need to develop both a longer term and broader thinking on energy markets, to ensure the regulatory framework being developed is fit for purpose and will be adequate in light of expected developments in the run up to 2025. Many stakeholders emphasised the importance of defining a clear and stable policy and regulatory framework with consistent and non-conflicting objectives, although the task of looking a decade ahead to identify potential fields for regulatory action was considered to be a complex and challenging exercise.

In general, stakeholders agreed that the issues and trends identified for developments in wholesale and retail markets were the right ones. It was felt that the consultation paper also identified the key areas that may benefit from greater regulatory focus but some respondents called for the Agency to propose more concrete measures. Almost all stakeholders highlighted that the full transposition and implementation of existing legislation, including the Third Package[5], REMIT[6], the Energy Efficiency Directive[7] and Consumer Rights Directive[8],

[5] The term "Third Package" refers collectively to: Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 (Gas Directive); Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 (Electricity Directive), concerning common rules for the internal market in natural gas and electricity respectively; Regulation (EC) No 714/2009 of the European Parliament and the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003; Regulation (EC) No 715/2009 of 13 July 2009 of the European Parliament and the Council on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005; and, Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators.

[6] Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (OJ L 326, 08.12.2011, p. 1–16)

[7] Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC

and achievement of the Internal Energy Market (IEM) should be prioritised. Many respondents particularly highlighted the importance of the completion and implementation of the Network Codes and Target Models and that the development of a strategy to accommodate future changes should not detract from these immediate priorities. In addition, some stakeholders emphasised that the Agency's focus should be on promoting a functioning market and that regulatory interventions should be limited to situations where there is clear evidence of market failure.

We welcome the general support from stakeholders for the issues and trends identified and regulatory measures proposed in our consultation paper. As stated in our conclusions paper, we agree that the full implementation of existing legislation is a priority and the focus of the Agency and National Regulatory Authorities (NRAs) remains on the completion of the IEM and implementation of the Networks Codes and Target Models. However, we also consider it to be essential that we look further ahead from the perspective of energy regulators to examine the challenges that we expect the energy sector will face after the full implementation of existing rules, which was the objective of the 'Bridge to 2025' document submitted to public consultation. Therefore, in light of the support for the issues and actions proposed, and taking into account the comments and prioritisation of stakeholders, we have further developed our proposals for regulators to address future challenges, which can be found in detail in our conclusions paper.

4 Evaluation of responses

Below is a detailed summary and analysis of the responses received, broken down by sector. It should be noted that the following table is not exhaustive but provides a high level analysis of the non-confidential responses received in the consultation and focuses on key issues raised by the respondents. Where relevant and practical, the Agency has provided the category of respondent that raised a particular point or in some cases the specific stakeholder.

Respondents' feedback on the consultation paper	Our views
1. Have we identified correctly the issues and trends within each area of the energy sector?	
ENERGY SECTOR TRENDS: Electricity wholesale markets ▪ Integration of wholesale markets ▪ Renewables growth driving changes in generation ▪ Policy inventions to ensure adequacy	

[8] Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council

Respondents' feedback on the consultation paper	Our views
Most stakeholders agreed with the fundamental changes underway in electricity wholesale markets and resulting challenges regarding integration, flexibility and generation adequacy identified in the consultation paper. Energy companies and energy industry organisations particularly agreed that the growth of renewables is driving changes in generation and that this will impact on markets, notably the challenges that renewables pose for balancing markets. Many of the energy companies commended the urgency and importance placed upon implementing Network Codes and the Target Model. Many industry parties also agreed with the importance placed on the issue of generation adequacy by the Agency. Many of the TSOs agreed with the issues and trends highlighted but also emphasised the importance of investment in infrastructure across Europe. This was echoed in the response of a power exchange, which referred to the increased level of transmission congestion and therefore the need for investment in transmission capacity. TSOs were in agreement with the importance placed on the growing role for flexible generation as renewable generation increases.	We are pleased that respondents share similar views on the issues and expected trends within the wholesale electricity sector, in particular, issues such as the growth of renewable energy sources (RES), the requirement for greater flexibility and the concerns related to generation adequacy. We agree with the views raised by some respondents regarding the importance of investment in European energy infrastructure, which is reflected in section 1.2 of Chapter 1 in our conclusions.
ENERGY SECTOR TRENDS: Gas wholesale markets ▪ Integrating gas wholesale markets ▪ Uncertain gas demand and supply ▪ The gas market's role in providing flexibility	
A significant number of respondents considered that the trends in gas wholesale market integration and issues regarding uncertain demand and role for gas in the future were correctly identified in the paper. The majority of respondents agreed that further progress in market integration is expected as a result of the (early) implementation of Network Codes. However, some of the respondents also highlighted the uneven implementation of the Third Package and Network Code provisions in different regions and stressed the need for increased efforts to improve the situation. They also underlined that further market integration, such as mergers between zones or any other forms of deepened market integration, should not be made at any cost, but should be made on the basis of a	We welcome the support for the issues identified, in particular the significant uncertainty surrounding gas demand over the next decade. We note the views raised by some respondents regarding uneven implementation of provisions in different regions, which confirms our own understanding. This issue is already tackled to some extent by existing informal structures, such as the Gas Regional Initiatives (GRIs). We are pleased respondents share our view regarding the uncertainty of gas demand and supply developments. We consider that although demand may decrease in the period to 2025, that

Respondents' feedback on the consultation paper	Our views
consultation, and subject to a positive cost-benefit analysis. One respondent stressed that the focus should be on the optimal configuration of entry-exit zones. Respondents generally agreed that there is significant uncertainty around gas demand and supply developments which poses challenges for future investments. One respondent explicitly called for positive indications on the role that gas could play beyond 2030 and another suggested that the aim should be to facilitate a market-based investment approach rather than centralised planning. Some respondents considered that the present trends in fuel switching to fuels which emit more carbon than gas should be of great concern and supported the aim for generators of this flexibility to receive a market price that covers their costs. In this way it was suggested that gas-fired power plants would be the major source of flexibility for the electricity sector. One respondent pointed out that capacity mechanisms should be designed according to market rules, in due coordination with neighbouring countries, and avoid market distortions as much as possible. Many respondents agreed that better coordination between gas and electricity markets was needed. Some respondents saw potential in innovative technologies, such as biomethane and power-to-gas. One respondent noted that the production of non-fossil gas such as biogas is expected to increase significantly in the period up to 2025. It was suggested that European market rules should be designed in such a way that they facilitate this development.	it will be used to provide flexible electricity generation and that new environmentally beneficial uses for gas are likely to be found. We recognise that an adaptable and flexible approach to regulation will be needed and gas wholesale markets should be competitive and liquid. We agree with the identified greater need for coordination between gas and electricity markets and have made some proposals to address this. We note respondents' views on innovative technologies.
ENERGY SECTOR TRENDS: Consumers, retail markets and the role of DSOs ▪ Customer concerns ▪ Technological advances ▪ Enabling demand response ▪ The future role of DSOs	
Most stakeholders agreed with the trends in retail markets and emerging consumer concerns identified in the paper. However, a number of stakeholders, including the energy industry and DSOs and local utilities, highlighted that the diversity of retail markets and consumers within them should be taken into consideration. In particular, the energy industry	We welcome the support for the issues identified, in particular the emerging role for consumers in future retail markets. We agree that retail market design should take into account national structural differences and that there is scope to improve retail market

Respondents' feedback on the consultation paper	Our views
highlighted the risk of generalising about trust in the energy sector, when the energy sector does not necessarily score among the least trusted in all Member States. However, consumer representatives report that energy markets are still generally rated among the worst performing. Regarding technological advances, some stakeholders, especially the energy industry, emphasised that technology already exists and can be deployed, but there remains a need to open up the market and develop a retail model that facilitates the involvement of end-users and the energy industry. Some respondents have highlighted the need for incentives for facilitating smart innovation and technology. In particular, some note that more emphasis should be given to investment challenges for DSOs, highlighting that distribution tariff structures will have to reflect the investments made by DSOs in smart technology, including grids and smart meters, and that a fair return on investment and a stable regulatory environment is essential. In relation to enabling demand response, the energy industry and consumer representatives highlighted the risk of referring to "the customer" as a unified concept in policy-making while there is a need for customer segmentation and acknowledgement that not all types of customers engage in the same way. Some energy industry stakeholders considered that retail market suppliers and aggregators should play an active role in empowering consumers. The majority of respondents agreed that the role of DSOs will become more active in the future as the integration of RES increases at a distribution level. The majority, including several industry groups, also agreed that the DSO should be a neutral market facilitator and should not participate in activities which could be provided competitively. Some respondents, including a TSO, highlighted the need for DSOs to facilitate the development of demand side response (DSR) though technology such as smart meters, and the emerging role for aggregators in providing DSR. Several respondents noted that a key role for DSOs is to ensure the provision of non-discriminatory access to data (with consumer permission) to lower market barriers. Many respondents, including consumer representatives and energy associations,	competition in many national markets. We agree that regulation should aim to enable a range of market players and business models to operate in the market. We will consider whether DSOs require investment incentive mechanisms to fund the development of new technological developments to support smart grids and smart meters in certain circumstances and we will develop guidelines for good practice for incentives schemes. We also note the concerns regarding distribution tariff structures and we shall identify and share good practice examples of distribution tariffs structures. We agree that regulation will need to provide a competitive framework for a range of market players to operate in and enable DSR to deliver added value to different customer segments. Consumers will need to be properly protected and empowered to make informed choices. We have made some proposals in this respect. We note and welcome the support for the trends identified regarding the role of DSOs, including general agreement they should be neutral market facilitators and will take on a more active role in order to facilitate the increased penetration of renewables on the distribution system through smart grid solutions. We agree that with increased data from smart meters it will be important to ensure data security and privacy for consumers.

Respondents' feedback on the consultation paper	Our views
highlighted the importance of ensuring data security and privacy for consumers.	
2. Have we identified an appropriate regulatory response?	
REGULATORY IMPACTS: Electricity wholesale markets ▪ An integrated electricity market across the continent ▪ Continued development of electricity wholesale markets ▪ Intervention in electricity markets ▪ Improved coordination between NRAs and between TSOs	
Most stakeholders broadly agreed with the regulatory response to emerging issues in the electricity sector proposed in the consultation document. There was particular emphasis across most of the respondents on the need for rapid implementation of the Target Model and Network Codes. Respondents agreed that the high level focus should be on achieving efficient market outcomes and enabling investment in infrastructure to facilitate these. TSOs agreed with the regulatory impetus to develop cross-border European balancing markets, first through the balancing pilot projects. DSOs largely echoed this, also mentioning putting in place the design for DSR markets as a regulatory responsibility. The TSO responses placed high importance on encouraging the necessary network infrastructure to realise the ideals of the Target Model. Finalising and implementing the Network Codes was therefore considered paramount by these respondents. The energy industry placed a strong emphasis on the Agency's role in the design and implementation of Capacity Remuneration Mechanisms (CRMs) to address generation adequacy issues. Many energy companies also expressed support for regulatory action to develop liquid balancing and intraday markets to reward flexibility. One energy industry association felt that the proposed regulatory response needed to be much more concrete and address a wider set of challenges electricity markets are facing; this was echoed in many of the other responses. Many respondents also recommended the regulatory focus be on facilitating competitive and efficient markets, with as	We welcome stakeholders' strong agreement that the rapid implementation of the Target Model and Network Codes is of paramount importance. We also support the many responses which highlighted the importance of further developing cross-border balancing and intraday markets. As outlined in section 1.1 of our electricity proposals, delivery of the Target Model, through implementation of the Network Codes, will remain an immediate priority. We will also take steps to ensure the Target Model remains coherent and robust to future change, including promoting intraday markets and monitoring pilot projects with respect to balancing. We note the views raised by stakeholders about the roles of regulators and the Agency in the design of CRMs, fostering infrastructure investment, and developing markets to provide flexibility. Section 1.2 makes specific proposals for the Agency, NRAs and CEER in respect of more coordinated and consistent approaches to the assessment of system adequacy, the role of CRMs in addressing system adequacy and their impact on the IEM, and network infrastructure development. The sections 1.3 and 1.4 of the electricity Chapter provide further concrete details of proposed necessary regulatory actions to address the breadth of challenges highlighted

Respondents' feedback on the consultation paper	Our views
little regulatory intervention as possible.	by stakeholders, including in relation to the greater penetration of renewable generation, enhancing energy efficiency, and facilitating the development of DSR.
REGULATORY IMPACTS: Gas wholesale markets ▪ A flexible framework for a liquid pan-European gas markets ▪ Achieving liquid gas markets ▪ Uncertain gas supply and demand ▪ Providing electricity flexibility through gas	
As with the regulatory response proposed for the electricity sector, the majority of respondents agreed with our emphasis on implementation of the Third Package's Network Codes and agreed that completion of the IEM is the best response for dealing with future uncertainties. Some respondents also emphasised the role of GRIs and suggested they could represent the right framework to develop pilot projects as they have proved to be a valuable tool to accelerate market integration. Some respondents stressed the relevance of regional differences within the EU and welcomed the Agency's recognition that a "one-size-fits-all" policy for gas markets is not feasible. Most stakeholders agreed that approaches to market integration and market zone mergers should be supported by stakeholders and that a pragmatic approach to achieving more liquid markets should be followed where necessary. One stakeholder stated that there was no need for additional regulation because the market will itself define trading areas. Some respondents stated that not every virtual trading point needs to be deep and liquid provided there is sufficient interconnection capacity between them. Most respondents agreed with the proposal for increased interaction between electricity and gas markets and in particular that increased cooperation between electricity and gas TSOs was appropriate. It was suggested that a more integrated evaluation of planned investments in gas and electricity infrastructure could be considered in this respect and could lead to more optimal solutions for transporting energy through the internal market. Many stakeholders agreed that the risk related to stranded	We welcome the support for developing and implementing the Network Codes and emphasis on the completion of the IEM. Delivery of the Gas Target Model through implementation of the Network Codes and Guidelines will be a major step towards achievement of the IEM and remains an immediate priority. The Agency is coordinating the early implementation of Network Codes within the framework of the GRI. We note the relevance of regional differences and the need to take a pragmatic and flexible approach to achieving well-integrated, competitive and liquid markets. In section 2.3 of our gas proposals, we recommend measures to ensure the gas market is efficient and responsive to the evolving needs of customers, including NRAs to assess their wholesale markets against refined Gas Target Model criteria defined by the Agency, and measures individual countries will need to consider to tackle these issues. We note the comment regarding virtual trading points but consider that, overall, liquid traded markets help to encourage competition and enable market participants to better manage their risks. We welcome support for the need for increased interaction between electricity and gas markets and the Agency will make proposals to improve collaboration and

Respondents' feedback on the consultation paper	Our views
assets in the gas infrastructure system has to be carefully examined, in particular while considering new investments.	coherence between the sectors, including arrangements for TSOs to cooperate more closely with one another (in respect of improving information flows and the consistency of the ten-year network development plan (TYNDP) development). We also address the issue of national gas tariff structures within the framework of the relevant Network Codes. We are aware of the risk of stranded assets.
REGULATORY IMPACTS: Consumers, retail markets and the role of DSOs ▪ An appropriate framework for energy customers ▪ Removing barriers in Europe's retail markets ▪ Enabling the market in demand response ▪ Role of DSOs ▪ Improved coordination ▪ Encouraging efficiency through dynamic pricing	
Almost all stakeholders agreed with the need to implement existing legislation and to translate the CEER-BEUC 2020 Vision[9] into concrete actions. Most respondents supported the establishment of a customer-centric model and highlighted that consumers should have clear information on who they should contact if there are different actors for different processes, taking into account different national structures. The gas energy industry added that the expansion of gas grids on a cost-efficient basis would make it possible for customers to benefit from the advantages of natural gas. The vast majority of energy industry players and some DSOs agreed that faster supplier switching could be achieved. However, the energy industry stated that achieving the target of 24h switching by 2025 would require further investigation, as this should not be reached at the expense of reliability. Consumer representatives considered faster supplier switching a factor of consumer engagement and therefore considered that there should also be tools to facilitate	We welcome support for the importance of implementing existing legislation and the CEER-BEUC 2020 Vision. As outlined in Chapter 3 of our conclusions, our broad objective remains the achievement of a fully functioning single market, elements of which are already in place through the Third Package and earlier legislation, which needs to be fully transposed. In the absence of a fully integrated market framework, our objective is well-functioning retail energy markets at least at national level, and we have therefore developed a set of proposals which seek to embed the CEER-BEUC 2020 Vision principles in market design. We welcome the support for the establishment of a customer-centric model and policy, taking into account national structural differences, and propose that CEER establish a set of key features of retail market design and develop a

[9] CEER-BEUC (2012), A 2020 Vision for Europe's Energy Customers A Joint Statement - 12 November 2012

Respondents' feedback on the consultation paper	Our views
customer participation, such as collective switching campaigns. Most of the energy industry, some DSOs and local utilities and consumer representatives suggested focusing on the transparency and trustworthiness of information provided by all market participants. Many agreed that offers should be comparable and suggested investigating the idea of displaying product features in a simple and accessible or standardised format. Some energy industry players and customer representatives also highlighted the importance of appropriate measures to protect vulnerable consumers. Consumer representatives highlighted the need to ensure that more sophisticated prices, coming with smart meters, do not add complexity to the customer experience and called on regulators to analyse the impact of time-of-use (ToU) tariffs on different social groups. A vast majority of energy industry respondents agreed that the roles and responsibilities of all market players should be clear and that a strong and transparent regulatory framework should draw a clear distinction between regulated and competitive activities. Some energy industry respondents also highlighted the importance of market monitoring in helping to identify when effective competition is taking place, and when it is not. With regard to the role of DSOs, almost all respondents agreed that DSOs should remain neutral facilitators, responsible for handling all network related issues but not participating in commercial activities. However, a few respondents, mainly DSOs/local utilities, saw the restriction of DSOs to regulated, natural monopoly activities as a hindrance to the development of smart grids and new services and disagreed that they should be prohibited from the supply of new market-based services. The majority of stakeholders expressed strong positions concerning the issue of unbundling and the revision of current DSO separation rules, including the '*de minimis'* threshold. Energy suppliers which are not part of vertically integrated companies, some energy traders, and one TSO considered that the current level of effective unbundling is insufficient and stressed that DSOs' influence on competitive markets should be	roadmap to achieving these by 2025. We also agree with the extension of the natural gas distribution grid to new areas and customers, and propose that regulators should encourage competition among energy sources by removing barriers to the extension of the gas distribution grid, as long as it is economically efficient to do so. We take note of the different views of market players but consider that faster switching is in consumers' interests and should be done in a way that improves reliability. We also agree that regulation should enable the development of tools that can enhance customer engagement, such as price comparison tools, switching platforms, and collective switching campaigns. We agree that all energy customers should be able to compare offers that are available in the market in an easy and transparent way, in particular through clear information from retailers, and have access to trusted price comparison services. We make proposals for consumers to be empowered to engage effectively in energy markets and in the development of market rules in section 3.2 of our proposals. We also agree that it is important that vulnerable customers are not disadvantaged or overlooked as the market develops, as highlighted in our proposals in section 3.1. We agree that a clear line between competitive and regulated services should be drawn in order to clarify the roles of market players, such as DSOs, other regulated entities, such as TSOs, and retailers. We agree that regulators have an important role in monitoring the market to determine its state of competition and we will continue to undertake effective market monitoring to identify market distortions

Respondents' feedback on the consultation paper	Our views
minimised. Some stakeholders thought that, in light of an increasingly central role for DSOs, some further unbundling may be necessary in the future. Many others, namely DSOs and local utilities, strongly objected to further unbundling, stating that the current provisions were sufficient to ensure non-discriminatory network access and saw no need to proceed with ownership unbundling. Generally they considered that due to the current challenges, such as unpredictable RES generation, a more active role for DSOs in the electricity market is required. Many stakeholders urged regulators to take national and regional differences into account. Many respondents highlighted that more emphasis should be placed on TSO-DSO coordination. The majority of respondents indicated that regulation should empower DSOs to solve technical problems on the local grid, such as the management of local network constraints, to support TSOs in balancing the system and to enable DSR. Many respondents agreed that clear roles are necessary between DSOs and TSOs to deal with security of supply issues and to accommodate distributed generation and the procurement of flexibility services in a cost effective way. The majority of stakeholders agreed that DSOs, as neutral market facilitators, should have access to data for system management purposes but should not have commercial use of such data. Almost all DSOs and local utilities saw the DSO as the most appropriate actor to handle data and some questioned the underlying efficiency and cost-effectiveness of constituting a third-party data manager, as DSOs usually ensure the highest degree of data protection along with non-discriminatory third party access. It was underlined by many that they currently enable market processes, such as billing, switching, allocation and settlement. One respondent underlined the importance of smart meters for fostering consumer involvement and improving security of supply and quality of service. Many respondents, mainly DSOs and local utilities, disagreed with the proposal to encourage dynamic distribution tariffs although they agreed that there is a need to review current tariff structures in order to pursue better cost-reflectiveness,	which are inhibiting the development of competition. We welcome support from most respondents for DSOs to remain neutral market facilitators and make proposals related to clarifying their role in Chapter 4 of our conclusions. We take note of the strong views expressed on the issue of unbundling and also recognise that DSOs operate in very different circumstances. We will further consider the adequacy of the current rules on business separation against the evolving role of DSOs. CEER will identify an initial list of core DSO functions which will facilitate the development of potentially competitive services in areas closely related to their core roles. We agree that the relationship between DSOs and TSOs should be clearly defined. As stated in Chapter 4, regulators will develop recommendations for strengthening TSO-DSO cooperation and technical data exchange between DSOs and TSOs, as well as among DSOs (both gas and electricity). Acknowledgment within European-wide Network Codes of the role of DSOs is opportune. We take note of the views expressed that a single approach for data management might not be effective, given different national market structures (for instance, in the number of suppliers and DSOs), legislation for data protection, and smart metering deployment. We propose that CEER develop an approach for the management (including collection, dissemination and protection) of consumer data, which is essential for the development of DSR. Furthermore, as part of the CEER-BEUC 2020 Vision, CEER will issue standards for the content, format, and exchange of customers'

Respondents' feedback on the consultation paper	Our views
consumer awareness and predictable revenues. Many stakeholders identified key criteria to be considered when defining tariff structures, commonly including technical feasibility, enabling predictable revenues and promoting innovation. A few respondents underlined how regulatory models should be updated to give DSOs more incentives through tariffs, reflecting the need to consider network investment needs and foster the deployment of smart technologies. Stakeholders agreed with the need for a regulatory environment able to support innovation and offer long term stability. The majority also agreed that the focus should be on infrastructure investments at the DSO level and on the exploration of proper incentive mechanisms. One respondent suggested that technological advances should be directly linked to potential actions for regulators and that implementing smart solutions will be instrumental to keeping network costs reasonable in the long-run. Concerning output-based regulation, one respondent doubted that a complete output-based regulatory system would be able to reflect all cost drivers. Another stakeholder pointed out that one set of "outputs" may not be applicable to all DSOs.	data between the data holder and commercial organisations, and ensure that they are implemented. In this way, retailers will be able to provide commercial offers to customers and customer data will be properly protected. We agree that regulators should consider what changes are needed to distribution tariff structures to ensure that DSOs collect sufficient revenues to respond to the new challenges. We propose that CEER develop guidelines for good practice for distribution network tariff structures in order to enhance the efficient development and operation of these networks to the benefit of consumers.
3. Which regulatory actions are most important and should be prioritised?	
Electricity wholesale markets ▪ Rapid implementation of the Target Model, Network Codes and regional market coupling projects ▪ European-wide implementation of liquid balancing and intraday markets ▪ Coordination of the European assessment of generation adequacy ▪ Proactively advise on the design of interventions e.g. CRMs ▪ Bring forward the efficient development of infrastructure across Europe ▪ Phasing out national support mechanisms for renewables	
The majority of respondents, particularly TSOs, DSOs and related associations, place the implementation of Network Codes as the top priority, to ensure the legal framework is in place to deliver the Target Model. Many also mention the regional market coupling projects and balancing projects as key priorities sitting alongside the Network Codes, which are	We welcome the prioritisation of the implementation of the Network Codes to deliver the Target Model and the development of liquid intraday and balancing markets by many respondents. This prioritisation is reflected in section 1.1 of our electricity

Respondents' feedback on the consultation paper	Our views
critical for the development of liquid intraday and balancing markets, also a high priority. Energy companies and related associations place particular importance on the issue of generation adequacy and see that as a very high priority. These companies see an important and urgent role for NRAs in scrutinising the design of CRMs; one respondent, for example, requested a regulatory response to offset the negative impact of CRMs on cross-border trade. TSOs also refer to the generation adequacy issue as a high priority, seeing a key role for the Agency in encouraging NRAs to allow for coordination for the European assessment of generation adequacy and ensuring national measures take the pan-European dimension into account. One respondent expressed a general priority for any initiatives that improve the functioning of the IEM, which is a theme expressed in many of the responses and is a reason for the highest priority placed on implementing the Network Codes in order to realise the European Target Model. Some respondents also mention the role of the regulator in bringing forward efficient infrastructure development, particularly across borders and phasing out national support mechanisms for renewables.	proposals which focus on delivery and development of the Target Model. We also welcome the views of some stakeholders regarding the importance of regulators promoting consistent approaches to generation adequacy and the design of CRMs and fostering infrastructure investment. These priorities are reflected in section 1.2 of our electricity proposals, focusing on 'system adequacy', including, but not limited to, generation adequacy and network infrastructure development. We agree that the issue of national support schemes for renewables continues to be important and this is considered in section 1.3 of our proposals. We also consider the requirement for market-based flexible response to be a high priority and as such make a number of proposals to facilitate an appropriate framework for the development of DSR in section 1.4.
Gas wholesale markets ▪ Rapid, consistent approach to implementation of existing Network Codes ▪ Removing artificial barriers to entry	
As for electricity, there was broad consensus amongst respondents on the need to prioritise the consistent, effective and timely implementation of Network Codes across Europe. This was considered by many as the key to delivering the IEM and resolving many existing cross-border problems due to the development of entry-exit systems with virtual hubs and transparent information regarding system portfolio balancing which facilitates trading and price responsive flows of gas. It was also considered that developing and connecting gas hubs in other European regions in line with the Gas Target Model will enable market integration and Member States to act like a single market. Other improvements which respondents considered the	We welcome the prioritisation of the implementation of the Network Codes and regional early implementation projects, as well as fostering infrastructure investment. This is reflected in the gas proposals made in Chapter 2 of our conclusions. We agree that barriers to the development of wholesale markets should be overcome wherever possible and seek to address this point, at least in part, by making proposals on best practices in hub and gas market design in section 2.3 of our gas proposals.

Respondents' feedback on the consultation paper	Our views
Agency should prioritise included facilitating the removal of barriers to enter markets to enable market liquidity and integration. For instance, storage obligations or restrictions concerning end-user supply, regulation, or TSO terms and conditions published only in the local language and certain rules to obtain shipper or trading licences.	
Consumers, retail markets and the role of DSOs ▪ An appropriate framework for energy customers ▪ Removing barriers in Europe's retail markets ▪ Enabling the market in demand response ▪ Role of DSOs	
Almost all respondents agreed that the full introduction of competition is a priority and the vast majority of the energy industry, some energy traders, DSOs and local utilities highlighted the importance of removing price regulation. Consumer representatives suggested that a standardisation of the way consumer information and contracts are presented would allow consumers to more easily compare across offers in the market. They stressed however that this should not lead to a standardisation of products and services, or overregulation stifling innovation and competition. Several market actors highlighted the importance of the creation of an appropriate framework to encourage DSR and energy efficiency services, while the participation in DSR should remain voluntary and include fair value and reward. Furthermore, consumer representatives highlighted that DSR should give consumers greater control and choice according to their specific needs and interests. Some DSOs/TSOs cautioned about being too prescriptive in this area. The vast majority of the energy industry, some DSOs, local utilities and consumer representatives also considered data protection as a key priority to build customers' trust. Some also highlighted the importance of having standardised data content and standards for secure data exchange at national level. Furthermore, some DSOs and local utilities considered that DSOs are best placed to manage customer metering data. The vast majority of the energy industry considered that	As outlined in Chapter 3 of our conclusions, we agree that the full introduction of competition is a priority and our broad objective remains the achievement of a fully functioning single market, and in the absence of a fully integrated market framework, well-functioning retail energy markets at national level. We agree that in order to promote competition, end-user price regulation should be phased out, while still protecting customers where competition is not yet effective. CEER will develop guidance, on the approaches to be used to facilitate the phasing out of regulated end-user prices, as soon as practicable, whilst ensuring that customers are properly protected where competition is not yet effective. We agree with the importance of regulation in enabling consumers to compare offers but in a way that does not stifle innovation in the market. We propose that CEER develop thinking on this. We agree that energy customers, including those who are vulnerable, should have easy access to energy efficiency, DSR and other

Respondents' feedback on the consultation paper	Our views
competitive energy market players and DSOs should have access to the data necessary to perform their tasks, and there is a need for balance between data privacy and ensuring that legitimate third parties are able to offer innovative services. Some TSOs and energy suppliers considered that further steps towards effective unbundling of DSOs should be a priority. Other TSOs considered that the role of DSOs should be minimised in order to maximise the competitive market for services. However, all DSOs and local utilities thought that the current level of unbundling is sufficient. Some of the energy industry and the majority of DSOs and local utilities highlighted the importance of improving DSO-TSO coordination.	innovative services enabled by new technologies, and receive a fair reward for their participation. In Chapter 3 of the conclusions paper we indicate that regulators in CEER will establish a toolbox of good practice to encourage and empower European Union (EU) customers to participate fully in the energy market, including providing information on the new opportunities emerging such as demand-side participation. We agree that we should ensure that customer data standards for content, format, exchange and/or data hubs are implemented. The need for access to data where this is essential for regulatory duties, for example for DSOs, is also recognised. As acknowledged in the consultation document, regulators believe that it would be useful to define a menu of (consistent) options as a way of describing the precise role DSOs might play, respecting the different contexts of the distribution network across the EU. Regulators take note of the different views expressed around the issue of unbundling and, as stated above, regulators will further consider the adequacy of the current rules on business separation against the evolving role of DSOs. Regulators will also develop recommendations for strengthening TSO-DSO cooperation.
4. Are there other areas where we should focus?	
Electricity wholesale markets There were very few comments related to electricity on this section, with most respondents satisfied that the Agency had captured the main issues and priorities. Most comments in this area echoed responses to previous questions, urging the Agency to focus on full implementation of existing legislation and the IEM before looking for further areas to focus on. For	We continue to support the current focus on the full and rapid implementation of the Target Model and note the suggested areas for potential further focus.

Respondents' feedback on the consultation paper	Our views
those that did suggest further areas for consideration, the following were highlighted: ○ Personal data protection and cyber security ○ Markets reflecting system scarcities ○ Network charges ○ State aid/RES subsidies ○ Electricity storage ○ Vertical integration ○ Implementation of REMIT	
Gas wholesale markets A number of respondents believed the issue of security of supply (SoS) and reducing import dependency should be addressed more clearly and in greater depth. Some of the options proposed by stakeholders for the Agency consideration included: ○ Regulatory support for exploration and production of non-conventional gas supplies ○ Support for indigenous gas producers ○ Using alternative/non-conventional gases such as biomethane and having the appropriate framework to facilitate their development. A widespread view amongst shippers was that long-term capacity bookings are crucial to ensure new investments and that this is an important element of developing the necessary internal transmission infrastructure to improve SoS. Concern was expressed that such incentives are weakened by the Tariffs Network Code. At the same time a number of respondents stressed the need to avoid stranded assets.	We agree that the issue of SoS and broader regulatory response needed to be addressed more clearly. This is addressed in section 2.2 of our gas proposals which outlines recommendations for the European Commission (EC) to invite Member States to analyse any potential SoS vulnerability and, where necessary, for national, regional and EU-level measures to be developed accordingly. We also propose measures to encourage use of gas storage. We shall examine whether there are regulatory obstacles to the integration of gas from unconventional sources and make proposals. We continue to think that the right regulatory and investment climate for infrastructure development (particularly in relation to SoS and for the development of the internal market) is important. We are aware of the on-going debate in the context of the Tariffs Network Code on the pros and cons of short-term bookings.
Consumers, retail markets and DSOs The vast majority of the energy industry, DSOs and local utilities recalled the subsidiarity principle, highlighting that the specificities of national markets across the EU should be taken into consideration appropriately in developing regulatory proposals.	We agree that specificities of national markets across the EU should be taken into consideration appropriately in developing regulatory proposals. The ACER-CEER market monitoring report aims to assess market development. We will continue to consult consumer organisations,

Respondents' feedback on the consultation paper	Our views
Consumer representatives considered the need to use additional specific indicators to provide a complete overview of market competition, to improve wholesale market functioning and the relationship between wholesale costs and retail prices. They also asked regulators to consult consumer organisations when determining criteria to measure market performance for consumers and to analyse how consumer's energy contracts may be priced and sourced in the future. The vast majority of the energy industry and consumer representatives also highlighted the need for transparency of costs borne by customers (the energy industry suggested focussing especially on taxes and levies). Some of the respondents from the energy industry also wished to involve regulators in their dialogue with customers to make offers understandable and comparable. Many of the energy industry respondents and almost all of the DSOs and local utilities indicated that more focus should be put on the incentives for Research and Development and innovation for DSOs. One respondent said that funding should be accessible by all DSOs regardless of their size. Some TSOs highlighted that gas networks are already able successfully to respond to customer variability, therefore they can be utilised to avoid investment in the Electricity Distribution system, particularly when coupled with DSR accessed through smart metering. One respondent highlighted the importance of future synergies with telecoms sector in the smart grid environment. Some energy traders, consumer representatives and other energy market actors asked for a framework to encourage micro-generation.	including when determining criteria to measure market performance for consumers. We also agree that consumers should have access to information on all cost components in respect of their bills. We make proposals for CEER to explore ways in which an enhanced dialogue can be developed with both energy industry and consumer representatives on the subject of offers being understandable and comparable. Regulators will develop guidelines for good practice for output-based incentive schemes for innovation. We agree that currently gas networks are already able successfully to respond to customer variability. We have less confidence that this situation will continue to be the case in all locations. We take note of the importance of future synergies with the telecoms sector in the smart grid environment. We take note of the comments regarding micro-generation. However, although NRAs have a role in determining the regulatory framework for micro-generation, we consider it is for governments to decide whether to actively promote this technology.

Implications for governance

- Fit for purpose processes for the implementation and enforcement of market rules
- The role of European Network Transmission System Operators (ENTSOs)
- Appropriate regulatory oversight of new entities
- The Agency's role in an expanding market
- Regulatory capacity building

Respondents' feedback on the consultation paper	Our views
Overall, stakeholders shared the Agency's view of the importance of robust and fit-for-purpose governance arrangements for the IEM, although some expressed that focus should be laid on full implementation of existing legislation rather than 'overambitious' regulatory change. Most stakeholders agreed with the Agency's view that greater cooperation and collaboration between NRAs is desirable in order to ensure a consistent approach to regulation. There was broad agreement from stakeholders that there is a need for an effective process for the implementation and enforcement of market rules respecting the different roles of market actors, and ensuring that there is an appropriate role for consumers and stakeholders. Most stakeholders agreed that the Agency should review the process for the development, modification, and enforcement of Network Codes and in particular that lack of a clear governance process had hampered the decision making process at times. Some suggested that market players should be considerably more involved in the process once the initial Codes are established and should be able to put forward modifications. It was also raised that comments from stakeholders to the Agency are not perceived to be taken into account. Respondents were generally favourably disposed to the Agency's role being further extended and strengthened, making full use of its powers as they stand in the Third Energy Package, particularly in resolving disputes on cross-border issues between NRAs. However, a number of respondents felt that the Agency should focus on its major functions, particularly to assist in the development and implementation of Network Codes, rather than looking to extend its role into other areas. ENTSO-E and GIE, for instance, were of the opinion that the fundamental roles of the entities active in the market are already well defined in the Third Energy Package and that the clarifications of the scope of responsibilities which can be delegated to EU Agencies does not necessarily call for an enhancement of the Agency's role. It was acknowledged by the majority of stakeholders that the role of the ENTSOs was likely to evolve and perhaps expand	We welcome respondents' support of our view of the importance of governance arrangements for the IEM. We continue to agree that the focus should remain on implementation of existing legislation and this is reflected in the prioritisation of actions for wholesale and retail markets. However, we also consider that governance arrangements will need to evolve in order for the IEM to operate efficiently and therefore we have made proposals to achieve our identified objectives in Chapter 5 of the conclusions paper. We are pleased that stakeholders agree with ensuring there is an appropriate role for consumers and stakeholders in decisions relating to the development of the IEM. In section 5.1, we make proposals for empowering consumers to participate as actively as possible in the consultation process, and recommend the EC provide funding to consumer organisations. Whilst we will continue and enhance our current practice of involving stakeholders (including by developing existing and establishing new panels) on specific issues, we will strengthen consumers' and other stakeholders' involvement by establishing stakeholder panels, including representatives from consumer organisations, to provide views at a strategic level on future market developments. The purpose of these panels will be to provide platforms to engage stakeholders in a holistic way on future market developments across all segments and sectors of the market. We note the comments of stakeholders on the current Code modifications procedures, which is a shorter-term issue than those addressed in the strategic 'Bridge' exercise. In the conclusions document, we make proposals for the future enhancement of the overall regulatory oversight of ENTSOs by the

Respondents' feedback on the consultation paper	Our views
and therefore some stakeholders welcomed the Agency's proposals to consider whether the governance arrangements for the ENTSOs are adequate. In particular, many agreed that it should be ensured that the EU dimension of their responsibilities prevails over the specific interests of their individual members. However, some market participants felt that further oversight would not be necessary. One respondent suggested that if any oversight is needed then the EC should assume this responsibility. ENTSO-E and ENTSOG noted that they are not natural monopolies whose profits need to be regulated and that that they have been delivering the expected results. They consider that any new regulatory initiatives should be based on assessment of the effects of the ongoing implementation of Network Codes and that there may still be opportunities within the existing legal framework which have not yet been fully exploited and applied. Most respondents welcomed the Agency's proposals to assess the appropriate level of regulatory oversight for power exchanges, market coupling operators and trading and capacity allocation platforms and to assess whether bodies performing pan-European functions are regulated adequately and proportionately. One power exchange supported a proper framework for regulatory oversight for market coupling, respecting subsidiarity and proportionality. However, some stakeholders, particularly power exchanges, felt that any regulatory oversight or governance arrangements for new market entities could hamper market development and that the extension of regulation to some new entities should be limited to regulation of monopolies and only a light-touch approach taken to regulating activities which are potentially competitive. Rather than a single European solution for the regulatory oversight of energy exchanges, they thought that some key principles could be developed to assure how they need to perform and cooperate since power and gas trading exchanges are already subject to a regulatory oversight by a financial regulator. Equally, it was considered that companies related to Regional Security Coordination Initiatives (RSCIs) may need the proposed general governance arrangement but a general regulation of all relevant market actors could not be supported.	Agency, which also addresses the issue of the development, implementation and monitoring of Network Codes and Commission Guidelines, including in respect of their modification. We note that the possibility for stakeholders to propose an amendment to an existing Network Code already exists. We note that many respondents supported proposals for enhancing the powers of the Agency, whilst others raised concerns. We consider that as energy markets become more integrated the Agency will be required to play a greater role in a more Europeanised energy sector. In section 5.2, we describe that the Agency should continue to fulfil two key roles: first, to oversee effectively the European regulatory framework, and ensure that the activities of EU bodies (ENTSOs and other newly established bodies) comply with their legal obligations; and, secondly, to support the cooperation of NRAs and to facilitate the coordination of their actions at European level to enable them to respond to the pace of market integration to 2025. In Section 5.2 we commit to develop specific mechanisms to further enhance cooperation between NRAs. This may also include proposals for legislative changes to give the Agency the powers to adopt directly decisions to approve legally binding instruments in case of EU-wide proposals. Sections 5.3 and 5.4 include some proposals and we shall develop detailed advice to the EC by the end of 2015. We, for example, recommend the EC consider legislative change for more cooperation between the ENTSOs, and strengthened powers for the Agency, to monitor their activities and the possibility to address binding decisions to them, where proportionate, with regard to their core tasks.

Respondents' feedback on the consultation paper	Our views
Some stakeholders agreed that the Agency should consider the participation of NRAs of relevant countries outside the Union willing to develop regulatory arrangements compatible with those applicable in the EU. However, the majority of stakeholders felt that the Agency should focus on the full implementation of measures within its current jurisdictions before considering expanding its areas of responsibility. One respondent felt it was reasonable to share the knowledge among NRAs within the EU borders and beyond but that this is a mainly political issue and should be discussed and decided upon by the relevant EU bodies (especially by the EC). Few respondents offered a reaction to the proposal to offer training modules as part of CEER's future collaboration with third countries. Some felt that the Agency should focus on its main tasks to facilitate the implementation of the IEM. One respondent suggested that a market wide discussion about any further governance arrangements was needed, including market actors who do not have defined responsibilities in a regulated context but have to bear the consequences of decisions taken by regulated entities such as generators, DSOs, traders and retailers.	We welcome support for assessing regulatory oversight of other bodies. We note concerns that any regulatory oversight or governance arrangements for new market entities could hamper market development and agree that it should be limited to regulation of (de facto or likely) monopolies. In section 5.6 we therefore make separate proposals for the oversight of the activities of new bodies with essential EU functions which are natural monopolies and those that are not. We note that respondents gave limited support to the involvement of third countries in the operation of the Agency. However, we consider that the globalisation of wholesale energy markets and interaction of the IEM with our EU neighbours should be reflected in formal collaborative arrangements. We therefore make proposals for the Agency and CEER's interactions with NRAs from third countries in section 5.7 of our proposals, including their participation, where appropriate, in these organisations, the monitoring of international developments (which have an impact on the IEM) by the Agency and the extension of CEER's training programme. In sections 5.9 and 5.10 we recommend that the EC consider proposing legislation so that the Agency be given adequate powers to fulfil its monitoring responsibilities and be given the power to issue binding decision making powers, along with appropriate measures to ensure compliance with those. We make recommendations in section 5.8 in relation to preserving the Agency's current internal decision making structure and independence as defined in the Third Package, if the 'Common Approach' relating to the EU agencies were to be applied to it.

Respondents' feedback on the consultation paper	Our views
	Furthermore, we have made recommendations that the governance of energy-related Commission Guidelines should follow the approach already established by the Third Package relating to Network Codes, and that the EC should consider a stand-alone guideline on governance. We note suggestions made by respondents regarding the need for a market-wide discussion about any further changes to governance arrangements. We consider that the 'Bridge' exercise represents a first step in such a discussion.

5 Next steps

As a result of the public consultation and in the light of discussions with stakeholders, the Agency has published its conclusions paper "Energy Regulation: A Bridge to 2025" - Recommendation of the Agency on the regulatory response to the future challenges emerging from developments in the internal energy market, on 19 September 2014. Through the Agency and CEER, regulators will take forward the range of proposals to develop their thinking and regulatory action including through their future Work Programmes.

Annex 1 About the Agency and CEER

The **Agency for the Cooperation of Energy Regulators** (the Agency) is the European Union (EU) body created by the Third Energy Package to advance progress on the completion of the internal energy market for both electricity and natural gas. The Agency was officially launched in March 2011, and has its seat in Ljubljana, Slovenia. As an independent European body which fosters cooperation among European energy regulators, the Agency ensures that market integration and the harmonisation of regulatory frameworks are implemented in respect of the EU's energy policy objectives.

The overall mission of the Agency, as stated in its founding regulation, is to complement and coordinate the work of national energy regulators at EU level and to work towards the completion of the single EU energy market for electricity and natural gas.

The Agency's missions and tasks are defined by the Directives and Regulations of the Third Energy Package, especially Regulation (EC) No 713/2009 establishing the Agency. In particular, the Agency plays a central role in the development of EU-wide network and market rules with a view to enhancing competition.

It coordinates regional and cross-regional initiatives which favour market integration. It monitors the work of the two European networks of transmission system operators (ENTSOs) for electricity and gas, and notably their EU-wide network development plans. Finally, it monitors the functioning of gas and electricity markets in general, and of wholesale energy trading in particular.

In 2011, Regulation (EC) No 1227/2011 on wholesale energy market integrity and transparency (REMIT) introduced a new, sector-specific monitoring framework for detecting and preventing abusive behaviour in wholesale energy markets. The Agency is expected to play a central role in the implementation of this monitoring framework. More recently, Regulation (EU) No 347/2013 on guidelines for trans-European energy infrastructure assigned additional tasks to the Agency in connection with the selection of infrastructure Projects of Common Interest.

The **Council of European Energy Regulators (CEER)** is the voice of Europe's national regulators of electricity and gas at EU and international level. Through CEER, a not-for-profit association, national regulators cooperate and exchange best practice within and beyond Europe's borders. CEER includes national regulatory authorities from 31 European countries (the EU-27, Iceland, Norway, Switzerland, FYROM and is growing).

One of CEER's key objectives is to facilitate the creation of a single, competitive, efficient and sustainable EU internal energy market that works in the public interest. More specifically, CEER is committed to placing consumers at the core of EU energy policy. CEER believes that a competitive and secure EU single energy market is not a goal in itself, but should deliver benefits for energy consumers.

CEER works closely with (and supports) the Agency. CEER, based in Brussels, deals with many complementary (and not overlapping) issues to the Agency's work, such as international issues, smart grids, sustainability and consumer issues. European energy regulators are committed to a complementary approach to energy regulation in Europe, with the Agency primarily focusing on its statutory tasks related to EU cross-border market development and oversight, with CEER pursuing several broader issues, including international and customer policies.

Annex 2 List of respondents

Below is a table displaying the names of the respondents to the formal public consultation. The full responses can be found published on our website.

No.	Organisation Name	Country	Type of entity
1	8KU GmbH - association of 8 local and regional utilities	Germany	DSO/local utilities
2	A2A Trading	Italy	Energy trader
3	Ampacimon SA	Belgium	Other energy market actors and industry
4	BDEW - German Association of Energy and Water Industries	Germany	Energy industry

5	Berlin Energie	Germany	DSO/local utilities
6	BEUC	Europe-wide	Consumer association
7	Bord Gáis Networks	Ireland	TSO
8	Bundesverband Neuer Energieanbieter e.V.	Germany	Energy supplier
9	CECED-European Committee of Domestic Equipment Manufacturers	Europe-wide	Other energy market actors and industry
10	CEDEC	Belgium	DSO/local utilities
11	CEEP - Centre of Employers and Enterprises providing Public Services	Europe-wide	DSO/local utilities
12	CEZ, a.s.	Czech Republic	Energy industry
13	Direct Energie	France	Energy supplier
14	E3G	Europe-wide	Various
15	EDF	France	Energy industry
16	EDF Energy	UK	Energy industry
17	Edison SpA	Italy	Energy industry
18	EDSO for Smart Grids	Europe-wide	DSO
19	EFET	Europe-wide	Energy trader
20	Elia Group	Germany/Belgium	TSO
21	Enagás	Spain	TSO
22	EnBW Energie Baden-Württemberg AG	Germany	Energy industry
23	Eneco	Rotterdam	Energy industry
24	Enel SpA	Italy	Energy industry
25	enercity Netzgesellschaft mbH	Germany	DSO
26	Energy Community Secretariat	Energy Community	Various
27	Energy Networks Association	UK	TSO/DSO/Gas storage
28	Energy UK	UK	Energy industry
29	eni S.p.A.	Italy	Energy industry
30	ENTSO-E	Europe-wide	TSO
31	ENTSOG	Europe-wide	TSO
32	EON	Germany	Energy industry
33	ERDF	France	DSO
34	ESMIG-European Smart Metering Industry Group	Europe-wide	Other energy market actors and industry
35	EURELECTRIC	Europe-wide	Energy industry
36	Eurogas	Europe-wide	Energy industry
37	Europex - Association of European Energy Exchanges	Europe-wide	Energy trader
38	eustream	Slovakia	TSO
39	Finnish Energy Industries	Finland	Energy industry
40	FNB	Germany	TSO
41	Fortum Oyj	Finland	Energy industry
42	G.EN. GAZ ENERGIA Sp. z o.o.	Poland	Energy industry
43	Gas Natural Fenosa	Spain	Energy industry
44	Gasunie	Netherlands	TSO
45	Gasversorgung Pforzheim Land GmbH	Germany	DSO/local utilities

46	GDF SUEZ	France	Energy industry
47	GDF SUEZ Infrastructures	France	TSO/DSO/Gas storage
48	GEODE	Europe-wide	DSO/local utilities
49	GIE	Europe-wide	Energy industry
50	GWS Stadtwerke Hameln GmbH	Germany	DSO/local utilities
51	HANDEN Sp. z o.o.	Poland	Energy industry
52	Hyresgästföreningen Riksförbundet-Swedish Union of Tenants	Sweden	Consumer association
53	IFIEC Europe	Europe-wide	Consumer association
54	International Association of Oil & Gas Producers - OGP Europe	Europe-wide	Energy industry
55	Jukka Rannila	Finland	Various
56	KBG Kraftstrom - Bezugsgenossenschaft Homberg eG	Germany	DSO/local utilities
57	Kooperationsgesellschaft Ostbayerischer Versorgungsunternehmen (KOV) mbH	Germany	DSO/local utilities
58	Market4RES	Europe-wide	Energy industry
59	Ministry of Industry & Trade, Czech Republic	Czech Republic	Various
60	MVV Energie AG	Germany	Energy industry
61	National Grid Plc.	UK	TSO
62	NetConnect Germany GmbH & Co. KG.	Germany	TSO
63	Netz Burgenland Strom GmbH und Netz Burgenland Erdgas GmbH	Austria	DSO
64	Nordenergi	Nordic association	Energy industry
65	OMV Gas & Power GmbH	Austria	Energy industry
66	Orgalime	Europe-wide	Other energy market actors and industry
67	Osterholzer Stadtwerke GmbH & Co. KG	Germany	DSO/local utilities
68	Österreichs E-Wirtschaft	Austria	Energy industry
69	PGNiG SA	Poland	Energy industry
70	PRISMA	Europe-wide	TSO
71	Redes Energéticas Nacionais, SGPS, S.A.	Portugal	TSO
72	Remstalwerk Gmbh&Co.KG	Germany	DSO/local utilities
73	RheinEnergie AG	Germany	Energy industry
74	RNG	Germany	DSO
75	RWE Aktiengesellschaft	Germany	Energy industry
76	schwaben netz gmbh	Germany	DSO
77	Smart Energy Demand Coalition	Europe-wide	Other energy market actors and industry
78	SSE	UK	Energy industry
79	Städtische Betriebswerke Luckenwalde GmbH	Germany	DSO/local utilities
80	Stadtwerke Achim AG	Germany	DSO/local utilities
81	Stadtwerke Ahaus GmbH	Germany	DSO/local utilities
82	Stadtwerke Amberg	Germany	DSO/local utilities
83	Stadtwerke Bad Nauheim GmbH	Germany	DSO/local utilities
84	Stadtwerke Bad Urach	Germany	DSO/local utilities
85	Stadtwerke Bad Wildbad GmbH u. Co. KG	Germany	DSO/local utilities

86	stadtwerke buchholz	Germany	DSO/local utilities
87	Stadtwerke Buxtehude GmbH	Germany	DSO/local utilities
88	Stadtwerke Döbeln GmbH	Germany	DSO/local utilities
89	Stadtwerke Düsseldorf AG	Germany	DSO/local utilities
90	Stadtwerke Ebermannstadt Versorgungsbetriebe GmbH	Germany	DSO/local utilities
91	Stadtwerke Erding GmbH	Germany	DSO/local utilities
92	Stadtwerke Fellbach GmbH	Germany	DSO/local utilities
93	Stadtwerke Forchheim GmbH	Germany	DSO/local utilities
94	Stadtwerke Frankenthal GmbH	Germany	DSO/local utilities
95	Stadtwerke GmbH Bad Kreuznach	Germany	DSO/local utilities
96	stadtwerke gottingen AG	Germany	DSO/local utilities
97	Stadtwerke Hof GmbH	Germany	DSO/local utilities
98	Stadtwerke Landau	Germany	DSO/local utilities
99	Stadtwerke Menden GmbH	Germany	DSO/local utilities
100	Stadtwerke München	Germany	DSO/local utilities
101	Stadtwerke Munster-Bispingen GmbH	Germany	DSO/local utilities
102	Stadtwerke Neuss Energie und Wasser GmbH	Germany	DSO/local utilities
103	Stadtwerke Nienburg/Weser GmbH	Germany	DSO/local utilities
104	Stadtwerke Peine GmbH	Germany	DSO/local utilities
105	Stadtwerke Pforzheim GmbH & Co. KG	Germany	DSO/local utilities
106	Stadtwerke Reichenbach/Vogtland GmbH	Germany	DSO/local utilities
107	Stadtwerke Rhede GmbH	Germany	DSO/local utilities
108	Stadtwerke Rotenburg (Wümme) GmbH	Germany	DSO/local utilities
109	Stadtwerke Schneeberg GmbH	Germany	DSO/local utilities
110	Stadtwerke Stade GmbH	Germany	DSO/local utilities
111	Stadtwerke Traunstein GmbH & Co. KG	Germany	DSO/local utilities
112	Stadtwerke Verden GmbH	Germany	DSO/local utilities
113	Stadtwerke Walldorf GmbH & Co. KG - Mattias	Germany	DSO/local utilities
114	Stadtwerke Werl GmbH	Germany	DSO/local utilities
115	Stadtwerke Winsen (Luhe) GmbH	Germany	DSO/local utilities
116	Stadtwerke Zeven GmbH	Germany	DSO/local utilities
117	Stadwerke Dessau	Germany	DSO/local utilities
118	Stromnetz Berlin GmbH	Belgium	DSO
119	StWL Städtische Werke Lauf a.d. Pegnitz GmbH	Germany	DSO/local utilities
120	SUDGAZ S.A.	Luxembourg	DSO
121	Südwestsächsische Netz GmbH	Germany	DSO/local utilities
122	Svensk Energi	Sweden	Energy industry
123	Swisselectric	Switzerland	Energy industry
124	Swissgrid AG	Switzerland	TSO
125	TenneT TSO B.V.	Germany	TSO
126	The Albwerk GmbH & Co. KG	Germany	DSO/local utilities
127	The European Wind Energy Association	Europe-wide	Other energy market actors and industry

128	Thüga Aktiengesellschaft	Germany	DSO/local utilities
129	TIWAG-Tiroler Wasserkraft AG	Austria	Energy industry
130	Unterfränkische Überlandzentrale eG	Germany	DSO/local utilities
131	Vattenfall AB	Belgium	DSO
132	Verbundnetz Gas Aktiengesellschaft	Germany	Energy industry
133	VKÖ - Association of local companies	Austria	DSO/local utilities
134	VKU - German Association of local Utilities	Belgium	DSO/local utilities
135	VNG Gasspeicher GmbH (VGS)	Germany	TSO/DSO/Gas storage
136	Vorstand AE Allgäu Energie AG	Germany	DSO/local utilities
137	Wärtsilä Power Plants	International	Energy industry
138	WEMAG Netz GmbH	Germany	DSO
139	Xoserve	UK	TSO
140	Zwickauer Energieversorgung GmbH	Germany	DSO/local utilities