



Strategy for delivering a more integrated European energy market: The role of the EREGG Regional Initiatives

An EREGG Conclusions Paper

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INFORMATION PAGE

Abstract

On 17 November 2009, ERGEG launched a public consultation on the Strategy for delivering a more integrated European energy market: The role of the Regional Initiatives. It outlines a number of questions on how the RIs should evolve in the near future considering the new context set forth by the Third Package.

This document E09-RIG-04-03a is ERGEG's conclusions paper to this public consultation on the Strategy for the role of the RIs in developing a more integrated European energy market, which includes at Annex 3 a list of the respondents and an evaluation of the responses received.

Related Documents

CEER/ERGEG documents

- Draft Strategy for delivering a more integrated European energy market: The role of the Regional Initiatives. An ERGEG Public Consultation Document , 9 November 2009 Ref: E09-RIG-04-03, http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_CONSULT/CLOSED%20PUBLIC%20CONSULTATIONS/CROSS_SECTORAL/Regional%20Initiatives%20Strategy%20Paper/CD/E09-RIG-04-03_Strategy_PC_09-Nov-09.pdf

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1. Executive Summary

Setting a strategic vision for Regional Initiatives in the 3rd Legislative Package

1. After 4 years of intense work in the RIs process, the adoption of the 3rd Energy Package signals the need to review the vision of RIs. The period between the adoption of the 3rd Package and its entry into full operation will be a transition during which the existing bottom-up approach of the RIs will be complemented by a coherent top-down approach, the basis for which is contained in the 3rd Package. A consistent vision is needed which explains the overall approach to be taken towards a single European energy market in all of the main topic areas and builds on progress already made. This vision can be translated into complementary work plans of the Commission, the Agency for the Cooperation of Energy Regulators (ACER), the European Network of Transmission System Operators (ENTSOs), the Regional Initiatives (RIs), and others. It is clear that the progress achieved in the past through the voluntary approach of the RIs can be accelerated by the adoption by the RIs of a more mandatory approach towards market integration based on the provisions of the 3rd Package.

2. Introduction

Objective and purpose of this paper

2. On 9 November 2009 ERGEG issued a consultation document on the role that the RIs should play in the new context set by the 3rd Package. This paper draws the conclusions of the consultation process. The objective of this paper is to examine the role of the Regional Initiatives in the new context of the 3rd Package and make proposals for the future. The paper also addresses the question of the overall approach for achieving a single European energy market. Particularly, this conclusions document analyses the views of stakeholders and sets the ERGEG opinion on the way forward for the RIs and on the roles and responsibilities of other central players.
3. The first part of the paper deals with the responses received to the specific questions raised during consultation. The second part of the paper discusses the implications for the Regional Initiatives of their future role in the implementation of European requirements.

3. Recap of EREG public consultation

4. In the public consultation document¹, European energy regulators proposed that:

- An overarching strategic vision of the route to a single European energy market should be developed and maintained to provide a clear direction for the technical reforms which must be undertaken, in a way which involves Member States, the European Parliament and stakeholders as well as regulators. This vision could take the form of an ongoing dialogue on relevant issues which should assist with the timely and focussed development of Framework Guidelines and network codes, and with the implementation at regional level. The Commission should consider establishing an appropriate forum to achieve this taking into account the need for quick progress on implementation, including in the regions;
- The framework within which the Regional Initiatives operate is significantly adapted to the new context so that they continue to complement the work towards a single European energy market. This includes:
 - the EREG Regional Initiatives should be co-ordinated by ACER, and the utilisation of the EREG Regional Initiatives to progress market integration should be an integral part of its work;
 - a deeper role for Member States and the Commission should be developed. When relevant, they should be invited to Implementation Group (IG) meetings in addition to Stakeholder Group (SG) meetings;
 - including Member States' representatives in each region on the circulation list for EREG Regional Initiative projects relevant to that region;
 - feedback from EREG Regional Initiatives into Framework Guideline and network code development;
 - regulators offering support to Member States' representatives in preparation for key discussions organised by the Commission, including the Florence and Madrid Fora;
 - reporting on progress by the ACER Board of Regulators to the European Parliament;

¹ Draft strategy for delivering a more integrated European energy market: The role of the Regional Initiatives, November 2009, Ref. E09-RIG-04-03, http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_CONSULT/CLOSED%20PUBLIC%20CONSULTATIONS/CROSS_SECTORAL/Regional%20Initiatives%20Strategy%20Paper/CD/E09-RIG-04-03_Strategy_PC_09-Nov-09.pdf

- The number of electricity ERGEG Regional Initiatives should evolve towards the achievement of a single market. This could be achieved by reducing the number of geographic regions or by converging individual topic areas (such as capacity allocation) across a number of geographic regions through common working arrangements - or both. We would welcome views on the right number of regions and on the question which regions should merge, or which topics might be reconfigured, as a result;
- The Commission should consider how other regional market reform initiatives such as the Pentalateral Group, Gasplatform, MIBEL, the Single Electricity Market in Ireland, and Nordic Market could be incorporated into the single market project in a structured way.

Future development of the single European energy market: 3rd Package measures

5. The 3rd Energy Package has the potential to accelerate progress towards a single European energy market through the establishment of new European institutions which will foster cooperation between regulators (i.e. ACER) and between TSOs (i.e. the ENTSOs), the development of Framework Guidelines and the adoption of network codes which, after adoption through the comitology process, will establish a binding cross-border regulatory framework, and the enhancement of regulators' powers which will enable them to enforce the legislation relevant to the internal energy market. These measures, when implemented, will transform the context within which the ERGEG Regional Initiatives operate from an essentially voluntary one, to one with binding and enforceable rules.
6. It will be some time before these binding measures enter into force. Much progress has already been achieved in many regions through co-operative work on a voluntary basis on a range of project areas. In the intervening period ERGEG will strive to continue to make concrete progress where possible, in accordance with agreed European regulatory policies.

Regional cooperation and regional markets in the 3rd Package

7. The 3rd Package explicitly envisages the development of regional markets as a stepping stone to a single European energy market. This is a major change from the past situation. In addition to the inclusion of a specific objective for NRAs to promote the development of regional markets as a means of achieving a single European market, the 3rd Package also:
 - requires NRAs to cooperate at least on a regional level (which may be facilitated by ACER);
 - provides for network codes to take account of regional specificities, where needed;
 - provides for regional cooperation between Transmission System Operators (which may be facilitated by the ENTSOs);

- requires, in coordination with an EU-wide 10-year network development plan, the development of regional network development plans;
- aims for congestion management methods which are applicable in the whole EU in the future but may also be suitable for regional application;
- requires the Rules of Procedure for the Board of Regulators of the ACER to provide for specific working methods for the consideration of issues arising in the context of regional cooperation;
- provides for regional solidarity between Member States in relation to gas security of supply;
- requires Member States as well as the regulatory authorities to cooperate among themselves for the purpose of integrating their national markets at one or more regional levels, as a first step towards a fully liberalised internal market; and
- requires ACER to cooperate with NRAs and Transmission System Operators to ensure the compatibility of regulatory frameworks between the regions.

Integrating the Regional Initiatives into the new strategy towards a more integrated European energy market

8. The formal process and roles established in the 3rd Package raises a challenge. The 'top-down' Europe-wide measures established in the 3rd Package have defined procedures which must be undertaken by specific institutions. The process for the preparation of Framework Guidelines and the resulting binding network codes requires specific actions at various stages by the ACER, the ENTSOs, the Commission, the Member States and the European Parliament. The 'bottom-up' processes in the ERGEG Regional Initiatives have different processes which were designed on the basis of voluntary cooperation rather than the more formal legal processes foreseen in the 3rd Package.
9. It is important to have a clear view of the overall direction of European market integration. Besides, it is important to clarify the roles of Member States, the European Parliament, the Commission and the role that the ERGEG Regional Initiatives will play in facilitating regional co-operation.

Enhancing the Regional Initiatives for the future – practical issues

10. The governance structure of ERGEG Regional Initiatives needs to be enhanced to:
 - Facilitate greater interaction with the Commission and Member State representatives;
 - Provide greater transparency to the European Parliament and Energy Council on current and future developments;
 - Enhance co-ordination between regions and with developing European regulatory policies;
 - Enhance further co-ordination between the regions.

4. Response to the Public Consultation

11. Respondents were therefore invited to respond to five sets of questions. The questions, a summary of responses and ERGEG's conclusions are set out below. Summaries of individual responses, other than those where confidentiality was requested, are summarised in the table at Annex 3.

Question – set 1: Regarding a vision for a single European energy market

There is no 'blueprint' for achieving a single energy market, and yet activity towards that goal is taking place across a number of levels. Do you consider that a high level/strategic vision is needed to set the overall direction of market integration? Should this vision be the same in gas and in electricity? How do you think it should be formed, and who should be involved? Which sort of forum do you think would be appropriate for the development of such a strategic vision? Do you see a risk that developing a strategic vision may delay implementation in the regions under current structures, or that it could facilitate progress?

Summary of views

12. Respondents gave strong support for the idea that a vision should be established to facilitate the co-ordination at regional and European level. There are different views on what such a vision might look like – some suggesting it might be an ongoing dialogue between the Commission, Member States, regulators and stakeholders, others suggesting that it could be contained in the Framework Guidelines and network codes. Few thought that such a vision should be a 'blueprint' or 'standard market design'. Some were concerned that the development of such a vision should not detract from immediate work on practical steps.
13. Overall, there is strong support for the proposals in the consultation document.

ERGEG conclusion

14. There is clear support for the development for a 'vision' or forward plan. The consultation paper acknowledges that the responsibility for developing, maintaining and for the related process is not one that regulators should lead, and is a more appropriate role for the Commission. ERGEG considers that such a vision or forward plan should be developed with the aim of bridging the gap between the overall goal of a single European energy market and the detailed items in the annual work plans of the Commission, ACER, the ENTSOs and the RIs. This suggests that the 'vision should take the form of an ongoing dialogue between the Commission, Member States, regulators and stakeholders. The vision should build on progress already made and provide a clear and consistent forward view of the overall approach to be taken in respect of each of the major topic areas. The outcome should facilitate the development of complementary and consistent work plans by the Commission, ACER, the ENTSOs, the Regional Initiatives, and others. Regulators – co-ordinated through ACER – will play a role in facilitating the development of such a vision. This could include the preparation of papers and analyses.

Questions – set 2: Regarding the role of Member States

Member States have an important role in establishing a legally binding cross-border regulatory framework, as well as in relation to their own Member State's interests. Work in the ERGEG Regional Initiatives will be very relevant. Do you agree that Member States should be more closely involved in the work of the ERGEG Regional Initiatives? If so, how should this happen?

Summary of views

15. Respondents gave almost unanimous support to proposals for greater involvement of Member States, both in relation to the ERGEG Regional Initiatives and in respect of European policy development. Many thought that the role of Member States should relate to policy development, legal implementation, and resolving disputes. Many thought that no new structures should be developed to involve Member States, and there was a strong view that involvement in the Implementation Group would be appropriate.
16. Overall, there is strong support for the proposals in the consultation document.

ERGEG conclusion

17. Respondents recognised that Member States have an important role in establishing the overall policy direction towards a single European energy market. This role is exercised in a number of ways, including in establishing a legally binding cross-border regulatory framework as a result of their role in the comitology procedure. It is this procedure which ultimately will establish the binding cross-border regulatory framework.
18. Respondents indicated clear support for an increased role for Member States in the RIs. The options for achieving this include:
 - i. Inviting member states to IG meetings when appropriate. This could be done by holding one or two such meetings a year where the agenda tailored to the issues of concern to Member States.
 - ii. Having separate specific meetings with Member States. These could be bilateral meetings between regulators and Member State officials or ministers.
 - iii. Either of the above, depending on the circumstances of each RI.
19. ERGEG considers that the flexibility of option (iii) is compelling. There is clear and strong support for the further involvement of Member States in the work of the RIs, and some respondents said that they were against the creation of new structures. Therefore inviting Member States to Implementation Group (IG) meetings (or certain IG meetings) could be a good way forward. This would enable Member States to be included in discussions of both the legal aspects of implementation and on the overall policy direction. However, some RIs already hold specific meetings with Member States and we would want that to continue where it is considered to be beneficial.

Questions – set 3: Regarding the number of regions

There are currently 7 electricity regions in the EREG Regional Initiatives, and 3 in gas whereas the overall target is to create a single region – the Single European market. How should the number of regions in the EREG Electricity Regional Initiative evolve towards a single market? Should the number of regions be reduced? And/or should specific topics firstly be merged across the regions? Which regions do you think should be merged or topic areas reconfigured, and what criteria should be used in reaching a view? How many regions should result initially, and what topics might be reconfigured?

Summary of views

20. Many respondents thought that the number of regions should not be reduced – either because the state of development was not yet right, or because of concerns about the poor return compared to the disruption that would be caused. Many also thought that it would be better to merge topics as the state of their development allowed this to happen – congestion management in electricity and transparency were cited as examples where this was already happening. Two respondents thought that some regions could be merged – in particular the Central-West (CWE) and the France-UK-Ireland (FUI) regions, the Benelux countries with FUI; Nordic, FUI and CWE; and finally, the South-West (SW), CWE and Nordic regions.

EREG conclusion

21. There is little support for the geographic merger of regions at this stage. However, there is significant support for the idea that topics may merge across regions over time. The arguments raised by respondents that changing the RI geographic structure will disrupt progress has some force, especially as they suggest that they see little practical benefit in doing so. In that light EREG considers that the natural merging of topics over time should be fostered, and will complement work on implementing the (topic-based) Framework Guidelines and network codes. There will be an important role for ACER in ensuring co-ordination among regions on each topic. Any decision to merge or change regions, and when to do so, should be taken by EREG of the ACER Board of Regulators only following an initial analysis by the lead regulators and the relevant Regulators Co-ordination Committees.

Questions – set 4: Regarding the integration of non-EREG regional market initiatives into the single market project

Not all regional market projects are part of the EREG Regional Initiative, and yet the achievement of a single European energy market is the goal of all such regional projects. Do you agree that the regional market initiatives which are outside of the EREG Regional Initiative should be incorporated in some way in the overall approach to achieving a single European energy market? How do you think this should happen? If you disagree, what role do you think these initiatives should have and how do you think convergence of European markets should be achieved?

Summary of views

22. The majority of respondents thought that there was no need to incorporate non-EREG regional projects formally into the single market work for a variety of reasons: many participants are common to all projects so there is a natural interaction; the proposed 'vision' would enable a common approach across all initiatives; and that bottom up initiatives are fundamentally the right approach. Some other respondents thought that there should be greater co-ordination across all regional market initiatives, either through more active co-ordination, or through incorporation within the EREG RI structure.
23. There are different views, although overall there seems to be a consensus that some form of co-ordination is needed. There are differences, however, on how that should be achieved.

EREG conclusion

24. There is little support for the integration of non-EREG regional projects into the EREG RIs (although it should be noted that this was not suggested in the consultation document). The consultation document states clearly that the co-ordination of Member State activity is a task for the Commission rather than regulators. However, there is some support for the idea of more co-ordination.
25. The imposition of rigid structures on regional projects would be impractical and would require the agreement of the relevant Member States and the Commission. However, all regional projects should be open to some degree of scrutiny about how their work fits with the overall approach for the achievement of a single European energy market. EREG therefore considers that the Commission should be encouraged to request reports from each of the non-EREG regional market initiatives to the Florence or Madrid Fora.
26. Regulators involved in non-EREG regional market initiatives will seek to ensure that there is a coherent approach between the different initiatives. This will be assisted by the deeper involvement of Member State representatives in the EREG Regional Initiatives.

Questions – set 5: Regarding co-ordination of the RIs through ACER

Could ACER improve co-ordination across the regions in a better way than is proposed in this paper?

Summary of views

27. Most respondents thought that ACER should have a role in co-ordinating the RIs. A notable dissenting view came from both of the ENTSO bodies, both of which consider that co-ordination of the RIs should be the collective responsibility of the Commission, ACER, the ENTSOs, Member States and the European Parliament.

ERGEG conclusion

28. There is wide (but not unanimous) agreement that ACER should co-ordinate the RIs. ERGEG considers that ACER, when it becomes operational, takes over the co-ordination role from ERGEG. This co-ordination should also facilitate and necessary co-ordination with the ENTSOs in respect implementation and the development of network codes.

5. The role of the Regional Initiatives in the implementation and operation of European requirements

29. The responses to the consultation document confirm that the ERGEG Regional Initiatives are seen as a continuing and important element in the achievement of the single European energy market within the new framework established by the 3rd Energy Package. The consultation paper acknowledged that the framework within which the ERGEG Regional Initiatives operate is significantly adapted to the new context so that they continue to complement the work towards a single European energy market. It said that the utilisation of the Regional Initiatives to progress market integration should be an integral part of the work of ACER.
30. This raises important issues about the role that the RIs might play in the process of implementation of European requirements, and in particular in respect of the policy vision established in Framework Guidelines and specific binding requirements of network codes. Implementation will include transposition of guidelines and codes into national regulatory frameworks. Although network codes which have been adopted through the comitology procedure will have direct effect, in many instances some national implementation will be necessary in order to ensure that there are no conflicts with existing national laws and regulations, and that market rules and contracts deliver the requirements set out in the codes. This must be done in such a way that each national framework is consistent with neighbouring arrangements. It also includes monitoring and enforcement in respect of these documents which are intended to have cross-border effects.

31. This work is quite different in nature to that currently undertaken by the RIs. Whereas currently the RIs operate on essentially a basis of voluntary co-operation between participants, implementation will require the application, in a co-ordinated way, of regulatory powers and often will mean close co-ordination with Member States. This raises issues of how the co-ordination of the implementation of guidelines and codes should be managed at sub-European level, and what role, if any, the RIs could play, and how this new stream of work will interface with any continuing 'voluntary' RI activities.
32. Some of the considerations relating to implementation will be:
- the implementation of Framework Guidelines and codes into national arrangements will often require local consultation with stakeholders. However, consultations in neighbouring jurisdictions (often in respect of the same cross-border Guideline or code) may need to be co-ordinated to ensure consistency of approach on cross-border matters, and to ensure stakeholders receive a clear and consistent message. The RIs should have a role in ensuring co-ordination of implementation at regional level. ACER should ensure co-ordination between regions;
 - although the Framework Guidelines and codes have the purpose to ensure a level playing field across Europe some network codes are likely to leave scope for local interpretation in respect of the method of implementation. It may be that an overall approach to implementation at regional level would help ensure compatible (and operationally efficient) approaches are adopted at national level. This suggests that the RIs should have a role in establishing an overall implementation plan for their region. The implementation plans could include preparatory work to be undertaken even before the full process of adoption of the relevant network codes is completed in order that final implementation can be accelerated. Example could include implementation work relating to current proposals on congestion management, capacity allocation and transparency in both electricity and gas;
 - implementation will involve regulators, but the formal responsibility for compliance with European requirements rests with Member States, and in some cases Member States involvement may be required in order to implement new legislation. Mechanisms for regional co-ordination with Member States are therefore needed which could take the form of the inclusion of Member State representatives in Implementation Group meetings, or separate dedicated meetings;
 - monitoring and enforcement, following implementation, will be needed on a cross-border basis, especially as cross-border trade and market interaction develops further. Mechanisms to facilitate this co-ordination between regulators are required which must be set in a firm legal basis;
 - the task of implementation, monitoring and enforcement is a regulatory activity which required the use of regulatory powers. It is a fundamentally different approach to the essentially voluntary one used in the past in the RIs.
33. Building on the existing RI structures to facilitate the task of implementation would suggest that the role of the RCC would be a more formal one in facilitating co-ordination between NRAs and in the co-ordination of their regulatory actions. It also suggests that

the RCCs (assuming they are used as the basis for this enhanced regulatory co-operation) will need to be firmly tied into the co-ordination process of ACER. Member States will need to be centrally integrated into the implementation processes as they have the formal responsibility for ensuring compliance with European requirements.

34. This change in the way the RIs undertake their business will change the nature of their work from what has been an essentially voluntary process to one where the work is driven by European and regulatory requirements.

ERGEG Conclusion

35. The ERGEG Regional Initiatives should be used as the main basis for co-ordinating the implementation of cross-border European requirements. Co-ordination of the application of the regulatory powers of national regulatory authorities (NRAs) at regional level should be managed by the RCCs. ACER should co-ordinate this activity at European level. In this sense 'implementation' means the reorganisation of national arrangements (legal, regulatory, market rules and contracts) so that they are compliant with European requirements – notably the policy requirements established in Framework Guidelines and the requirements in binding network codes, and any measures required for monitoring compliance and enforcement.
36. The Rules of Procedure of the Board of Regulators should be developed to provide a sound basis for ACER co-ordination of the work of the RIs. ERGEG will consider the development of potentially binding guidelines on co-operation between NRAs to facilitate co-operation on monitoring and enforcement activities across borders.

6. Summary of Conclusions

A longer term 'vision' for the achievement of the single European market should be developed and maintained

- The 'vision', or forward plan, should aim to bridge the gap between the overall aim of a competitive single European energy market and the annual work plans of regulators, ENTSOs and the RIs. In practical terms it could result in a consistent view of the overall approach to be followed in each of the main topic areas;
- The forward plan should build on progress already made and should result from ongoing discussions between Member States, stakeholders and regulators. The organisation and chairing of such discussions is not a role for regulators. The Commission may want to consider whether this is a role that it could take on;

- The Florence and Madrid Fora could be used as the basis for such discussions;
- EREG would be willing to provide any necessary technical support to facilitate such discussions.

The role of the EREG Regional Initiatives should be re-engineered to meet the new challenge of ‘top down’ implementation

- The RIs should form the basis for the co-ordination of the implementation of European requirements, notably the policies contained in Framework Guidelines and in binding network codes;
- The terms of reference of the constituent bodies of the EREG RIs should be revised to facilitate this role;
- Implementation of European cross-border measures, and in particular network codes, should be co-ordinated across a number of national boundaries to ensure consistency in application. This co-ordination work should be based on the Regional Initiatives. The RCCs in particular should co-ordinate the work of national regulators in the region in respect of implementation, monitoring and enforcement of cross-border measures.
- EREG will examine how the legal basis for regional co-operation between national regulators can be made firm, and in particular consideration of binding guidelines for co-operations between national regulators provided for in Article 7 (3) of the ACER regulation²;
- The RIs should be co-ordinated by ACER when it becomes operational.

The Regional Initiatives will continue to have a ‘bottom up’ role

- The RIs, under the co-ordination of ACER, should continue to undertake work as test beds for new ideas and approaches;
- To ensure a consistent approach, the work plans of ACER and of the RIs should be closely co-ordinated;

² " The Agency shall provide a framework within which national regulatory authorities can cooperate. It shall promote cooperation between the national regulatory authorities and between regulatory authorities at regional and Community level, and shall take due account of the outcome of such cooperation when formulating its opinions, recommendations and decisions. Where the Agency considers that binding rules on such cooperation are required, it shall make the appropriate recommendations to the Commission." In Article 7(3) of 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.

- The RIs should be encouraged to facilitate the early implementation of agreed policy approaches, such as those included in Framework Guidelines. Early implementation could be facilitated by preparatory work for the anticipated formal implementation of network codes;
- Specific projects which are consistent with agreed policy approaches will be identified for early implementation.

Member States will be integrated more closely into the work of the RIs

- A position will be created for Member States at the centre of the ERGEG Regional Initiatives whilst preserving the independence of regulators. Member States will be invited to relevant IG meetings, or specific co-ordination meetings will be established where appropriate;
- The Commission will continue to be invited to IG meetings.

The organisation of the regions will be kept under review

- ERGEG will not merge or change regions geographically at this time, but will consider doing so if there is a clear case that it would be beneficial to do so;
- Topics will be merged across regions as they mature. This process will be assisted by the development of Framework Guidelines which will give a common vision for each topic;
- The Commission may consider requesting non-ERGEG regional market initiatives to report on developments to the Madrid or Florence Fora as appropriate;
- National regulators involved in non-ERGEG regional market initiatives will seek coherence between ERGEG and other initiatives. The deeper involvement of Member States in ERGEG RIs will also facilitate coherence.

Accountability for the operation of the RIs

- In view of the importance of the RIs as a mechanism to achieve a single European energy market, ERGEG conclude that the ACER Board of Regulators should report on the work of the RIs to the European Parliament, in addition to providing reports to the Commission.

- **Annex 1 – ERGEG**

The European Regulators Group for Electricity and Gas (ERGEG) was set up by the European Commission in 2003 as its advisory group on internal energy market issues. Its members are the energy regulatory authorities of Europe. The work of ERGEG is structured according to a number of working groups, composed of staff members of the national energy regulatory authorities. These working groups deal with different topics, according to their members' fields of expertise.

This report was prepared by the Regional Initiatives Group of ERGEG.

Annex 2 – List of abbreviations

Term	Definition
ACER	Agency for the Cooperation of Energy Regulators
CWE	Central West Europe electricity region
ENTSO	European Network of Transmission System Operators
ERGEG	European Regulators Group for Electricity and Gas
EU	European Union
FUI	France, UK, Ireland electricity region
IG	Implementation Group
NRA	National Regulatory Authority
RCC	Regional Coordination Committee
RI	Regional Initiative
SG	Stakeholder Group
SW	South West electricity region
TSO	Transmission System Operator

Table 1 – List of Abbreviations

Annex 3 – Evaluation of Responses

Responses received

Responses were received from the following organisations:

Organisation	Abbreviated name
50Hertz Transmission	50Hz
Association of Electricity Producers	AEP
Bundesverband der Energie- und Wasserwirtschaft (Germany Association of Energy and Water Industries)	BDEW
European Chemical Industry Council	Cefic
CEZ a.s. (CZ)	CEZ
EdF (FR)	EdF
EdF Energy plc. (UK)	EdF Energy
EDP Gás	EDP
European Federation of Energy Traders	EFET
Eidgenössische Elektrizitätskommission Switzerland (Swiss Federal Electricity Commission)	EICom
Energie Baden-Württemberg AG	EnBW
European Network of Transmission System Operators for Electricity	ENTSO-E
European Network of Transmission System Operators for Gas	ENTSOG
E.ON Group	E.ON
Eurelectric (Union of the Electricity Industry)	Eurelectric
The European Union of the Natural Gas Industry	Eurogas
European Wind Energy Association	EWEA
Groupement des Autoproducteurs Belges d'Electricite	GABE
Groupement Européen des entreprises et Organismes des Distribution d'Energie	GEODE
Iberdrola S.A.	Iberdrola
International Federation of Industrial Energy Consumers, Europe	IFIEC Europe
Liander Onderdeel van Alliander	Liander
Nordenergie – Danish Energy Association	Nordenergie
RWE Supply & Trading GmbH	RWE
Statoil ASA (NO)	Statoil

Organisation	Abbreviated name
Swissgrid Ltd. (Swiss National Grid Company)	Swissgrid
Verbund Austrian Power Grid AG	Verbund

Evaluation of responses

Questions – Set 1:

There is no 'blueprint' for achieving a single energy market, and yet activity towards that goal is taking place across a number of levels. Do you consider that a high level/strategic vision is needed to set the overall direction of market integration? Should this vision be the same in gas and in electricity? How do you think it should be formed, and who should be involved? Which sort of forum do you think would be appropriate for the development of such a strategic vision? Do you see a risk that developing a strategic vision may delay implementation in the regions under current structures, or that it could facilitate progress?

Response	EREG position
One respondent (50Herzt) thought that strategic vision is needed and it should address position of industrial customers. ACER and ENTSO-E should lead the development of such a vision and consult with stakeholders in a process similar to the Florence Forum.	Broadly agree, but lead role in development of a vision should rest with the Commission.
AEP thought that a strategic vision is needed - but no 'standard market design'. Relevant to both electricity and gas. Stakeholders to be centrally involved along lines of PCG model. Impact assessments should be used.	Broadly agree, but AHAG model more appropriate.
BDEW thought that RIs contribute through spreading best practice, benchmarking and pilot testing. Top down guidance should be provided through framework guidelines and incentives to adopt best practice. A co-ordination procedure (such as AHAG) is needed to clear bottom-up projects. Relevant to gas and electricity.	Agree
Cefic expressed the view that a strategic vision is essential. Should address position of industrial customers.	Agree
CEZ pointed out that a strategic vision is needed for electricity and gas.	Agree
EdF expressed the view that a strategic vision is needed and in electricity should be based on PCG model. Member States and stakeholders should be involved. Work should build on existing structures, including Florence and Madrid Fora. Bottom up initiatives should be co-ordinated with strategic vision. Similar vision for gas could be based on PCG-type approach.	Broadly agree, but AHAG model more appropriate.
EdF Energy thought that any high level vision should be used only as a guide. Any target model should be subject to careful assessment. Gas and electricity may be different in this respect. Separate fora chaired by ACER could be founded for gas and electricity vision to include NRAs, major stakeholders. Best practice to be spread across regions after an	Broadly agree, but lead role in development of a vision should rest with the Commission.

assessment of the overall approach to market integration. This need not mean full harmonisation.	
EFET expressed the view that a high level vision is needed - separate ones for electricity and gas, although principles may be similar. Electricity one to be based on PCG. PCG approach needed for gas. ACER/EREG should prepare draft vision and it should be widely consulted on. Stakeholders should be centrally involved. AHAG a good basis in electricity.	Broadly agree, but AHAG model more appropriate.
EnBW pointed out that no strategic vision needed. For electricity the MIDP (PCG) target model is sufficient. Concrete bottom-up steps are the way forward. Co-ordination and monitoring progress are important. Overall vision should be the same for gas and electricity but specifics will differ. All stakeholders should be involved in development of any vision and a forum for this purpose is needed. A PCG-type process could be beneficial in gas also.	Broadly agree, but AHAG model more appropriate.
ENTSO-E thought that RIs should act as a bottom-up implementing forum guided by a top-down vision and policy contained in the framework guidelines and network codes. In the interim, AHAG can play a co-ordination role.	Agree
ENTSOG thought that a strategic vision may be helpful - but not the same for gas and electricity. Clarity about problems to be solved would assist. A small group including ACER and ENTSOG could inform the vision for gas.	Broadly agree, but AHAG model more appropriate.
E.ON expressed the view that a common strategy is needed to guide crucial issues. The vision could be the same, but the differences between both markets should be taken into account. Market participants and national governments should be involved. At the end a clear way forward will accelerate the process.	Agree
Eurelectric agreed that a top-down strategy should be combined with bottom-up pragmatic best practices. For gas and electricity same vision: principally yes. A stakeholder platform should be created, similar to the one of the PCG. If consistency and coordination between the top-down guidance and the bottom-up implementation are ensured progress will be facilitated.	Broadly agree, but AHAG model more appropriate.
Eurogas expressed the view that objectives, framework and principles of the internal market are clear in the 3rd Package and should serve as a guide even before the 3rd Package enters into force. However a balance between a top-down and a bottom-up approach is needed, allowing for flexible regional approaches when these facilitate the overall goals through market-driven solutions. The objectives of gas and electricity are the same and similar regulatory routes can be followed. However gas differs in its supply structure and use of storage. The main aim should be to have the correct structures and processes to deliver results, and to obtain added value from better management of the GRIs.	Agree
EWEA noted that a high level/strategic vision is needed to set the overall direction of market integration and to close the gap between the bottom-up approach of the RIs and the top-down approach which will be applied during the implementation of the 3rd Package. The strategic vision should	The main risk is that RIs become too strong and subsequently an obstacle for the single market

importantly include an ambitious timetable and milestones when RIs can merge and lastly converge into a single European market. The Florence Forum is the appropriate format to elaborate the strategic vision with the EC leading the process in close cooperation with NRAs and relevant stakeholders. The main risk is that RIs become too strong and subsequently an obstacle for the single market objective.	objective.
GABE said yes to a high level / strategic vision is needed to define a general target for market integration. These visions are not the same in electricity and gas, because they should solve both market and technical problems.	Agree
GEODE is in favour of stakeholder and Government involvement.	Agree
Iberdrola agrees with a high strategic vision to set the overall direction of market integration. The criteria should be different for gas and for electricity. Gas requires greater EU coordination as several Member States share the same infrastructures. Both markets should work under the same levels of transparency. ACER is the main candidate to develop this task, but the work should be based on the work already done by the Electricity Regional Initiatives. The development of a strategic vision should not delay the implementation of current work, which is valid.	Agree
IFIEC Europe thought that the GRI strategic vision of NNW-region is a good example for this. Not necessarily the same vision between gas and electricity. IFIEC supports the forum model chosen by GRI NNW region. The development of a strategic vision will facilitate the progress and not delay the project.	Broadly agree
Liander is the view that an overarching high level/strategic vision is needed to achieve a single energy market. It should incorporate both electricity and gas. Absence of vision is the greater danger to the development of the single market. It is "time well spent".	Agree
Nordenergi agrees that a shared vision of the pan-European goal to be achieved both for the electricity and gas wholesale market is needed. In the electricity field the work done in PCG cooperation already covers a major share of such a strategic vision, and this should be the point of departure.	Broadly agree, but AHAG model more appropriate.
RWE expressed the view that an EU-wide strategic vision is crucial to bring regions to a common level. The vision should be in form of a document that is agreed at the highest level possible. A separate plan/strategic vision should be developed for gas and electricity recognising the differences of both markets and the different stages on integration and regions. This target model process should not delay the ongoing process.	Agree
Statoil said that it will be desirable in order to avoid conflicting developments to emerge and it would ensure some degree of regulatory predictability.	Agree
Swissgrid expressed the view that a high-level strategic vision for the European Electricity market is necessary. It should be oriented on the central upcoming issues like security of supply and sustainability.	Agree

Verbund APG thought that a single high level strategic plan for achieving a functioning integrated pan-European energy market can only be discussed individually for each of the commodities gas and electricity. The main reason for this is that the underlying market structures entail distinctive features and accordingly induce different treatment, even more so, the more advanced the completion of the respective internal different treatment, even more so, the more advanced the completion of the respective internal market is.	Agree
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Questions – Set 2

Member States have an important role in establishing a legally binding cross-border regulatory framework, as well as in relation to their own Member State's interests. Work in the Regional Initiatives will be very relevant. Do you agree that Member States should be more closely involved in the work of the Regional Initiatives? If so, how should this happen?

Response	EREGG position
50Hertz supports stronger involvement of Member States including in relation to the convergence of legal frameworks and grid development.	Agree
AEP thought that Member State involvement important. But involving in IG meetings suggests stakeholders should also be present.	Disagree on involvement of Stakeholders at IG meetings as these are for those directly responsible for the implementation of proposals.
BDEW agrees that Member States should be closely involved on energy policy aspects. Stakeholder (including DSOs) also important and needs improvement.	Broadly agree
Cefic thought that Member State involvement is important at several levels including policy and legal.	Agree
CEZ expressed the view that Member State involvement is very important.	Agree
EdF noted that Member State involvement is very important and should be based on existing structures.	Agree
EdF Energy thought that Member State involvement is important at several levels including policy and legal.	Agree
EFET expressed the view that Member State involvement is important at several levels including policy and legal. IG meeting involvement appropriate. ACER could play a role in informing Member States and European Parliament of RI developments.	Agree
EnBW said that Member State involvement is very important.	Agree
ENTSO-E thought that Member States should have a high level role in policy determination in ways that facilitate the comitology process, and at a local and regional level to track progress and resolve blockages to progress.	Agree

ENTSOG expressed the view that Member States should have a high level role in policy determination in ways that facilitate the comitology process, and at a local and regional level to track progress.	Agree
E.ON agreed that Member States should have a more prominent role in harmonisation by evolving gas and electricity legislation from a national approach towards the establishment of an EU energy market.	Agree
Eurelectric expressed the view that Member States should be more involved in the ERI in order to provide stronger political support for the market integration process.	Agree
Eurogas is the view that greater involvement of the Member States will bring added-value if it is aimed at removing obstacles to progress that are identified in national law, and in reinforcing their commitment to progress towards the internal gas market.	Agree
EWEA thought that the European Commission should be confident in its role of overseeing the entire process of RIs converging into a single market and giving guidance and support to Member States and NRAs. Sufficient coordination will be required between the European and regional structures of ERGEG/ACER, ENTSO-E and Member States, together with the European Commission, which should provide guidance on adequate oversight arrangements.	Agree
GABE considers that Member States must be included in each RI, in order to be aware of the main problems and the importance of their decisions.	Agree
GEODE agreed that they should play a coordination role.	Agree
Iberdrola agrees that Member States should be more closely involved in the work of the Regional Initiatives, especially when the NRA lacks competencies. ACER should promote that governments follow the discussions in RIs meetings and create Governments Committees for each region to coordinate how to establish the legally binding cross-border regulatory framework.	Agree
IFIEC thought that EU Member States are important parties that should be involved. Member States should take part in the process just as other stakeholders.	Agree
Liander expressed the view that Member States and market parties operating in those Member States needs to be involved.	Agree
Nordenergi supports the involvement of Member State energy authorities and the Commission in the coordinating work of the ERGEG Regional Initiative.	Agree
RWE sees only a limited role of Member States in establishing the details of a legally binding cross-border regulatory framework. Regulatory authorities will be able to incorporate the national perspective in the process.	Disagree. ERGEG considers that Member States have a central role in defining the cross-border regulatory framework and in the legal implementation process.
Statoil expressed the view that participation to the RIs implantation groups,	Agree

as suggested by ERGEG, of representatives of Member States coupled with participation of representatives from the European Parliament, in light of the terms of the reformed comitology procedure, would definitely help making the process smoother in that it would prepare the ground to build the necessary consensus.	
Swissgrid supports the approach that Member States should be more closely involved in the work of the Regional Initiatives.	Agree
Verbund APG thought that Member States are involved in the legislative process of creating the IEM since they play a central role in every legislative process regarding the energy sector, ever since common European policy measures were introduced. Verbund regards the proposed increase of Member State involvement as a sensitive issue, which bears the potential to hamper the RIs' work, be redundant or even undermine the regulators' independence. Maintaining the RIs' regulator and stakeholder driven character at a technically focussed level with little political bargaining can prove to be a capable and successful vehicle.	Broadly agree, but ERGEG considers that Member States have a central role in defining the cross-border regulatory framework and in the legal implementation process.

Questions – Set 3

There are currently 7 electricity regions in the ERGEG Regional Initiative, and 3 in gas whereas the overall target is to create a single region – the Single European market. How should the number of regions in the ERGEG Electricity Regional Initiative evolve towards a single market? Should the number of regions be reduced? And/or should specific topics firstly be merged across the regions? Which regions do you think should be merged or topic areas reconfigured, and what criteria should be used in reaching a view? How many regions should result initially, and what topics might be reconfigured?

Response	ERGEG position
50Herzt expressed the view that conditions for the merger of regions have not yet been met.	Agree
AEP said no arbitrary reduction in regions. Some topics could be dealt with across multiple regions.	Agree
BDEW pointed out that no deep restructuring of the regions should be considered.	Broadly agree. ERGEG consider that restructuring should be considered, but only following a full assessment of the costs and benefits.
CEZ expressed the view that it is premature to reduce number of regions.	Agree
EdF noted that the existing number of electricity regions is effective, including the overlap of regions. Should be possible for some topics, such as price coupling, to span a number of regions.	Agree
EdF Energy thought that the existing number of electricity regions is effective, including the overlap of regions. Should not be changed unless there is good reason. Could be benefit in merging FUI/CWE or merging Benelux countries into FUI. Generally, further merger of regions should not	Agree

be done without proper analysis.	
EDP Gas expressed the view that gas connections between France and Spain should be considered as strategic links between south and north of Europe.	Infrastructure investment is a core topic for the SW RI.
EFET saw no merit in changing number of gas regions. Note that number of balancing zones is different. In electricity, price coupling initiatives will reduce number of market regions naturally. 'Core region' will emerge to which other regions should adhere. Therefore merging of topics is preferred. Introduction of RES should be a topic addressed by the RIs.	Broadly agree
EICom thought that the allocation of Swiss border to central South electricity RI is inappropriate and so should be allocated to Central West RI region.	EREG considers that restructuring should be considered only following a full assessment of the costs and benefits.
EnBW said that the existing number of regions is effective, and mergers between regions could take place on specific topics. Also topics could be developed by a sub-set of countries within regions.	Agree
ENTSO-E thought that the regional geography should be determined case by case depending on the topic.	Disagree. EREG considers that RI focus on implementation should continue and be based on existing contiguous geographic structure of RIs.
ENTSOG expressed the view that the regional geography should be determined case by case depending on the topic.	Disagree. EREG considers that RI focus on implementation should continue and be based on existing contiguous geographic structure of RIs.
E.ON expressed the view that some regions could be merged. Topics: Insurance of harmonised transparency standards across Europe, simplifications or even abolishment of all wholesale trading license requirements, promotion of cross-border power and gas infrastructure investment. Related to electricity: harmonised set of capacity products, single set of auction rules, elaboration of a single implicit intra-day trading platform. Related to gas: harmonised transparency requirements, harmonised set of capacity products, balancing rules.	EREG considers that topics should be merged across regions rather than deep geographic restructuring. Topics likely to follow those in framework guidelines.
Eurelectric expressed the view that a roadmap should be elaborated to increase convergence and reduce the gap between the less and more advanced regions in order to develop a mature and consistent market across Europe. For the moment the number of regions is considered appropriate. The role of Switzerland should be clarified. The first step must be to identify a proper target model and a roadmap. Given that local specificities could seriously affect the speed and even the possibility to implement regulatory reforms, convergence should be pursued through a step by step approach.	EREG agrees that a high level vision is needed to guide development towards a single market.
EWEA thought that the planned increase of offshore wind generation	EREG considers that

capacity in the North and Baltic Sea would make reasonable to speed up the junction of North, Central West and FUI regions into a single region. With the possible inclusion of the Baltic Region in a later stage. Cross-border intraday trade is the main priority due to the importance of intraday markets. EWEA urges to consider implicit auctioning as the most practical solution for capacity allocation in intra-day markets.	topics should be merged across regions rather than deep geographic restructuring. Topics likely to follow those in framework guidelines.
GABE considers that before choosing size and number of regions, the issue is to define what will be the differences between inside and outside a region. We strongly ask that a region becomes one market zone by merging the national markets in a region without any internal border. The CW region is a typical situation to be merged in one market.	EREG considers that topics should be merged across regions rather than deep geographic restructuring. Topics likely to follow those in framework guidelines.
GEODE agreed that converging topic areas across a number of regions would be sufficient. Cooperation on a topic by topic basis is preferred than merging regions.	Agree
Iberdrola agrees that the number of electricity regions is adequate in the current situation. When the regional markets of a RI will achieve most of these objectives, some regions can merge to integrate its regional solutions. If a high level strategic vision is developed, this last step will be easier.	Agree
IFIEC thought that the most important criteria are: natural possibilities from infrastructure (connections), market places development, level of liberalisation. The gas perspective: there are three regions. The choice of three regions seems to work for the gas market. The final goal of regional integration should be single EU-wide energy markets. IFIEC Europe prefers regional progress to not progress at all but only on condition that progress made in one region does not complicate nor slow the process of EU-wide market integration.	EREG considers that topics should be merged across regions rather than deep geographic restructuring. Topics likely to follow those in framework guidelines.
In Liander's view a region should consists of areas that are more or less the same in maturity and market design The merger of two regions should be able if there is a minimal set of market rules that are common. It is worthwhile to consider if in a single region electricity and gas can merge before the merger of two different electricity regions.	EREG considers that topics should be merged across regions rather than deep geographic restructuring. Topics likely to follow those in framework guidelines.
Nordenergi expressed the view that reducing the number of regional initiatives is not a goal in itself. EREG should make sure there are no significant overlaps of the regions, especially in cases where regional co-operation could lead to situations where a member state is committed to two different regional solutions which are in contradiction. Relevant region for such a country needs to be decided well in advance.	EREG considers that topics should be merged across regions rather than deep geographic restructuring. Topics likely to follow those in framework guidelines.
RWE thought that the separation of Regional Initiatives has their justification on the regional differences of the transmission system. As harmonisation advances more RIs could be combined.	Agree
Statoil expressed the view that the question is of less relevance for the gas market. However, some changes could intervene in the way Gas RIs are	Agree

defined and organised. Progressive and systematic overlapping of the different RIs together with giving RIs the role of coordinator of existing or there-to-be-created alternative regional aggregations and experiences would add to the ability of RIs to contribute to the progressive harmonisation of national markets.	
Swissgrid expressed the view that the cooperation should be done where technical and functional connections require it and not where they are politically defined. Therefore an involvement of different regions could be necessary even if it crosses regional borders.	Agree
Verbund APG understands the organisational form of and coordination between the RIs as crucial to the success of completing the IEM. We welcome the endeavour to decrease the number of RIs and thus diminish overlapping or even competing initiatives	ERGEG considers that topics should be merged across regions rather than deep geographic restructuring. Topics likely to follow those in framework guidelines.

Questions – Set 4

Not all regional market projects are part of the ERGEG Regional initiative, and yet the achievement of a single European energy market is the goal of all such regional projects. Do you agree that the regional market initiatives which are outside of the ERGEG Regional Initiative should be incorporated in some way in the overall approach to achieving a single European energy market? How do you think this should happen? If you disagree, what role do you think these initiatives should have and how do you think convergence of European markets should be achieved?

Response	ERGEG position
50Herzt expressed the view that the TSO security co-operation should not be integrated into the ERGEG RIs, but other non-ERGEG regional initiatives could be merged if efficient.	ERGEG does not propose the integration of all regional market initiatives, but does propose that they are co-ordinated through a process of reporting.
AEP thought that the formal integration of non-RI regional markets initiatives into the RIs is unnecessary as regulators closely involved in all initiatives.	Agree
BDEW: see response to set 3.	
CEZ expressed the view that regional market structures should not be limited to the ERGEG RIs.	Agree
EdF noted that region-based initiatives should be welcomed provided they are compatible with the overall strategic vision. Representatives of non-ERGEG regional initiatives should participate in the relevant ERGEG ones.	Agree

EdF Energy agreed that all regional market projects should be brought within the scope of the single market project.	Agree
EFET agreed that all regional market projects should be brought within the scope of the single market project, but not necessarily part of the EREGG RIs.	Agree
EICom thought that infrastructure and market development regionally and in Europe can only take place with sufficient integration and co-operation with Switzerland.	Agree
EnBW said that the region-based initiatives should be welcomed provided they are compatible with the overall strategic vision. Co-ordination can happen informally through stakeholder participation in the various initiatives.	Agree
ENTSO-E thought that regional collaboration should be transparent and consistent with European goals. Links to the EREGG RIs should be decided on a case by case basis.	Agree
ENTSOG expressed the view that regional collaboration should be transparent and consistent with European goals.	Agree
E.ON expressed the view that the Commission could do a contract with non-EU countries to incorporate them to the ERI/GRI structures.	Inclusion of 3rd countries into RI structures is not dependent on EC agreements.
Eurelectric expressed the view that gas is to a large extent imported into EU-27. Gas regulation in producing and transit countries can deeply affect gas availability conditions in the final destination market.	Agree
Eurogas thought that non-EU regional initiatives should not be included before further development of the EU market and more robust regional markets.	Any enlargement of the EREGG RIs will be considered on a case by case basis.
GABE considers that they should be incorporated in the overall approach to achieve the objective.	Agree that all regional market initiatives should be integrated into the single market process.
Iberdrola expressed the view that the regional market initiatives which are outside of the EREGG Regional Initiative should be integrated among themselves or with other regional markets within the EREGG RI.	EREGG does not propose the integration of all regional market initiatives, but does propose that they are co-ordinated through a process of reporting.
IFIEC thought that all initiatives that contribute to a better working of the market should be welcomed.	EREGG does not propose the integration of all regional market initiatives, but does propose that they are co-ordinated through a process of reporting.
In Lianders' view the goal and the approach of the regional initiative	EREGG does not propose

should be the leading factor.	the integration of all regional market initiatives, but does propose that they are co-ordinated through a process of reporting.
Nordenergi supports the involvement of member state energy authorities and the Commission in the coordinating work of the EREG Regional Initiative. This will enable the non-RI initiatives to be recognized and taken into account.	Broadly agree
RWE thought that the extent that regional market projects outside of the Regional Initiatives are still in the development stage it makes sense integrating them within the Regional Initiatives to ensure compliance with the target models.	EREG does not propose the integration of all regional market initiatives, but does propose that they are co-ordinated through a process of reporting.
Statoil expressed the view that RIs should foster the development of the single market rather slowing down the process by imposing pre-configured geographical borders or thematic limits. RIs must remain the response to concrete market demands and market needs. RIs should not be permanent structures but rather adaptive ones. Alternative experiences should not be bound to a rigid scheme but rather increase the fitness of the regulatory response. While coordination of alternative regional regulatory experiences through RIs is welcome, a degree of independence in the way they are organised and work should remain.	EREG does not propose the integration of all regional market initiatives, but does propose that they are co-ordinated through a process of reporting.
Swissgrid expressed the view that the cooperation should be based on functional connection and not depend on politically defined regions.	Agree

Questions – Set 5

Could ACER improve co-ordination across the regions in a better way than is proposed in this paper?

Response	EREG position
50Herzt agreed that the RIs be co-ordinated by ACER.	Agree
AEP thought that the existing RI structures appropriate, but practical operation needs good management.	Agree
CEZ expressed the view that ACER could promote co-ordination across the regions but only if it is pro-active.	Agree
CEZ expressed the view that regional market structures should not be limited to the EREG RIs.	Agree
EdF noted that ACER should focus on ensuring that regional initiative projects are compatible with the strategic vision, and that competing projects converge. ACER should not take over central role of controlling	Broadly agree

activities of the RIs.	
EdF Energy agreed that ACER will be influential in settling disputes and ensuring projects are consistent with overall vision. ACER should have an advisory and monitoring role, not a policy one. ACER should not be 'in control' of the RIs.	ERGEG considers that ACER should co-ordinate the work of the RIs.
EFET agreed that ACER should settle disputes, help set the strategic direction for market integration, and monitor progress. ACER could also enhance co-ordination across the regions.	ERGEG considers that ACER should co-ordinate the work of the RIs.
EnBW said that ACER's co-ordination role in respect of the development of Framework Guidelines and network codes should be sufficient.	ERGEG considers that ACER should co-ordinate the work of the RIs.
ENTSO-E thought that co-ordination of regional activities should be the collective responsibility of the Commission, ACER, ENTSOs, Member States and Parliament.	ERGEG considers that ACER should co-ordinate the work of the RIs.
ENTSOG expressed the view that co-ordination of regional activities should be the collective responsibility of the Commission, ACER, ENTSOs, Member States and Parliament.	ERGEG considers that ACER should co-ordinate the work of the RIs.
E.ON expressed the view that ACER involvement is necessary to make a top-down approach (3rd Package) and a bottom-up approach (RI)	Agree
Eurelectric expressed the view that an open dialogue between ACER and other major stakeholders will be the key to achieve timely progress in regional market integration.	Agree
Eurogas thought that potentially ACER's biggest contribution to improving regional co-ordination lies in its successfully operating in line with the objectives of the 3rd Package whereby NRAs should co-operate in fashioning a European-level regulatory work.	Broadly agree
GABE expressed the view that the paper describes a good coordination by ACER. But the difficulty will be the choice between: * Maintaining the actual "seller-oriented" market design defined by the PCG target model * changing to a new "Client oriented" design. Based on consumer requests.	ERGEG considers that both ACER and the RIs should be fully engaged with stakeholders in both the development of framework guidelines and in implementation.
GEODE thought that ACER will play a particular role in coordination of regional cooperation.	Agree
Iberdrola expressed the view that ACER should take the regulatory initiative when the Member States concerned cannot reach agreement on important issues to the formation of regional markets. Any difference from the target model should be clearly motivated, and if possible, verified by ACER.	ERGEG considers that the roles and responsibilities of ACER and member states are clearly set out in the 3rd Package.
IFIEC thought that from its position ACER has a formal top-down approach. The ERGEG RI has a bottom-up voluntary process approach. ACER has an overlook over the different identified regions and hence can coordinate developments towards a single European market.	Agree
In Lianders' view implementation requires a roadmap and central	Agree that a vision and co-

coordination.	ordination are required.
It is the firm conviction of Nordenergi that the ERGEG Regional Initiative from March 2011 must be transformed into the "ACER Regional Initiative". Making ACER just an additional institution of governance and duplication of work must be avoided. The 3rd Energy Package explicit addressing of regional cooperation must allow for ACER playing the role of coordinating and catalyst body.	ERGEG considers that ACER should co-ordinate the work of the RIs.
RWE agreed that it is one of ACER's key role to coordinate the individual approaches of the Regional Initiatives, thereby avoiding inconsistent developments.	Agree
Statoil expressed the view that the regulatory institutional framework in the EU should clearly identify in ACER its main decision-making centre, at least with respect to those tasks assigned to it by the 3rd Liberalisation Package, and look at other institutional entities, like RIs and NRAs and the wider pool of stakeholders, with different degrees as supportive and complementary but in any case bound to be coherent with the decisions and the views defined by the centre.	Agree
Swissgrid expressed the view that the future relationship between ACER and Switzerland is part of the bilateral negotiations.	Agree
Verbund APG expressed the view that the role of the lead regulators of the different RIs could also be enhanced by nominating additional specific coordination tasks by ACER to the respective national regulators. Accordingly, a permanent channel of coordination is created over these regulators in cooperation with (and in conjunction with the new tasks attributed to) ACER.	Agree