ACER: Experience on benchmarking, monitoring and implementation – overview of Eurogas' remarks

- Eurogas supports the Gas Target Model and ACER's proposal to improve its implementation and effectiveness.
- The revision of the current regulatory framework should be based on a long-term vision, in which natural gas is increasingly combined with renewable, low carbon and decarbonised gases and the gas and electricity sectors are increasingly linked.
- **On monitoring**: GTM metrics are valuable tools; they could be further fine tuned to monitor regional issues e.g. storage obligations, the discriminatory regulatory framework of certain member states, the impact of merging multiple balancing zones.
- **On additional measures to improve GTM effectiveness**: Eurogas supports and differentiates between measures to be implemented at EU wide level additional measures which may be needed at local level when issues are identified through monitoring and confirmed by thorough assessment.
- **On Governance**: it is important that ACER is equipped with sufficient resources and competences to perform well on its existing tasks. Eurogas supports a review of ACER powers to monitor and assess the level of competition and actively steer the implementation of EU rules in case of lack of progress (for example: the Commission and ACER could steer structured implementation processes supported by regional roadmaps).

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EU wide measures worth of further analysis and consultation:

- create an EU-wide blacklist for rogue market participants
- evaluation of need for wholesale trading licenses and if considered needed then introduction of an EU passport principle for all licences
- the obligation for TSOs to delegate or mandate legally required tasks with regulatory oversight onto the delegated entity
- move away from balancing platforms and towards national traded markets or to a neighbouring traded market as per BAL NC
- improved enforceability of ACER’s opinions prescribed in the TAR NC that are currently left to the willingness of NRAs to comply with even when such recommendations clearly identify situations of non-compliance with the TAR NC or a cross border impact

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Local (national or regional) measures worth of further analysis and consultation:

- cross-sectoral coordinated Security of Supply (SOS) measures e.g. making sure that interruptibility mechanisms are effectively open to CCGTs and take into account scarcity signals both on the gas and power markets
- increased cooperation between NRAs to agree a tariff reduction at the identified IP, to tackle high cross border transmission tariffs that negatively affect cross border trading
- removal of administrative and legal requirements representing major blocking issues that create disproportionate burden and hinder market access e.g. Polish storage obligations, Romanian central market obligations, language barriers and limits to transparency, registration procedures of different nature, reporting obligations
- review CMP rules with respect to long term UIOLI measures as these have proven to be insufficient to prevent players to preserve a dominant position
- local measures should be assessed in terms of their actual impacts on a cross-border/regional/EU level

ACER: Experience on benchmarking, monitoring and implementation – Eurogas' remarks on tariffs

- **Increase transparency** on the expected evolution of regulated costs for consumers to anticipate and understand future tariffs evolution.
- **Reg 715_2009** recital 8 requires NRAs to allow TSOs to charge **tariffs** 1/based on its actual costs, and 2/ if those are efficiently incurred. Step 2/ requires a regular intl. benchmarking, conducted by ACER and similar to those conducted in several MS already.
- **Cost reflective electricity and gas end-user tariffs**. This is key to ensure a level playing field in the decision-making process of end-users' investment choices, for instance when choosing between gas and power heating solutions. To achieve this cost-reflectiveness, the structure of the tariffs should reveal efficiently the costs generated by different consumption patterns e.g. focusing on seasonal consumption that is the most demanding in terms of infrastructure investment.

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