

The Clean Energy for All Europeans package: important improvements needed

ENTSO-E takes note of the “Clean Energy for All Europeans” package released last week by the European Commission, and agrees with the objectives to foster growth, improve market design, investment incentives and energy efficiency, and above all to put the empowered customer into the centre of the clean energy system. As in its Vision Package published last year, ENTSO-E strongly agrees with several of the main directions of the package, including bringing wholesale and retail markets together, and bringing renewable energy better into the market.

On the very important topic of regional decision making and progress among Member States, regulators and system operators, the proposal lacks balance and could even make maintaining system security harder than before. The proposal needs improvement on roles and responsibilities. This should also build on the very positive experience with network codes, only one example where the cooperation of TSOs in ENTSO-E has brought major market integration progress.

Because of the strongly meshed European power grid regional cooperation on markets, planning and operations is in the DNA of TSOs, and a must for them. For decades, TSOs have been innovative and proactive here, and have set up among others the Regional Security Coordinators (RSCs) since 2008. By 2018, when the System Operation Guideline is fully implemented, six RSCs covering all of Europe will be coordinating five critical functions. These RSCs are set to develop dynamically over time, building on experience gained, and responding to the challenges of the clean energy transition. Unfortunately, the static, top-down approach the European Commission proposes now, risks to jeopardize this development. By splitting responsibilities between TSOs and new Regional Operational Centres, the proposal would create a serious conflict with national responsibility over system security and with the principle of subsidiarity. The consequence of the new ROC legislation would thus be a lower level of security of supply for Europe, and less clear liability.

Not only on system operation but also elsewhere, the proposals should better build on the achievements brought by the Third Energy Package and maintain a balanced and light institutional framework. In the span of a few years, the European Commission, ACER and ENTSO-E, together with stakeholders have delivered eight network codes and guidelines on electricity. They start implementation and will bring major benefits to consumers. The Commission’s proposals to shift most of the responsibility for the network code development process to ACER falls short of recognizing this success and the crucial role TSOs have in implementation as neutral market facilitators. ENTSO-E also interprets additional oversight on existing mandates as well as the oversight role of ACER on regional cooperation as a counter-productive, unnecessary and additional layer of administration. These developments are at odds with better regulation, and are likely to have a negative impact for energy consumers.

ENTSO-E, united with its Members, is strongly committed to work with the Commission, European Parliament, Council, alongside regulators, policy-makers and energy stakeholders, to commonly achieve the best legislative framework, including the above mentioned updates of the proposals.