



Publishing date: 01/10/2013

Document title: ACER Work Programme 2014

We appreciate your feedback



Please click on the icon to take a 5' online survey
and provide your feedback about this document

Share this document





**Agency for the
Cooperation of Energy Regulators**

Work Programme

2014

September 2013

Director's Foreword

In February 2011 the European Council set 2014 as the target date for the completion of the internal market in electricity and natural gas and 2015 for the removal of energy islands. These goals were reaffirmed by the European Council earlier this year. The Agency plays a central role in both these processes and this Work Programme defines how the Agency plans to contribute to them, making 2014 yet another very challenging year for us.

With respect to the integration of electricity and gas markets, the Agency, with the extensive involvement of experts from National Regulatory Authorities for energy, has been working, since its opening in 2011, on Framework Guidelines, containing the principles and criteria for the Network Codes to be developed by the ENTSOs and which contain the new EU-wide market and network rules. Since 2012 the Agency has started also to assess the compliance of Network Codes to the Framework Guidelines and has already recommended six Network Codes for adoption to the European Commission. It is expected that the most relevant Network Codes required to support the market integration process will be ready for adoption by the end of next year. However, having the appropriate rules adopted is not sufficient to ensure the completion of the internal energy market. They also need to be properly implemented. The Agency has been working over the last two years in supporting and promoting the early voluntary implementation of the most relevant rules, in particular those on capacity allocation and congestion management, both in electricity and gas, in order to deliver tangible benefits to European energy consumers as soon as possible. This is another area where the Agency's effort will continue and possibly intensify in 2014.

The new TEN-E Regulation on guidelines on trans-European energy infrastructure, which entered into force earlier this year, has assigned additional responsibilities to the Agency in the area of infrastructure development planning and monitoring, beyond its tasks related to the network development plans and more generally the ENTSOs' activities under the Third Package. Work on implementing the new Regulation started well ahead of its entry into force and the first biennial EU lists of Projects of Common Interest will be adopted by the European Commission before the end of the year. The Agency contributed to this process and in 2014 will be called to assess the methodologies required for the selection of Projects of Common Interest for the next EU list in 2015.

A well-functioning integrated internal energy market requires not only efficiently-developed infrastructure and appropriate rules, but also integrity and transparency of the trading activities, to give confidence to market participants and consumers that prices emerging from this market reflect the interplay of demand and supply and are not distorted by abusive market behaviour. This is the purpose of REMIT, which entered into force at the end of 2011. It envisages a new, unprecedented sector-specific wholesale energy market monitoring framework, to detect and prevent market abuse, with the Agency playing, once again, a key role of collecting trading and fundamental data and performing an initial assessment before notifying any suspicious event to National Regulatory Authorities for investigation and enforcement. The new monitoring framework will have to go live

within six months of the Commission adopting the Implementing Acts on the record of transactions to be reported to the Agency. This adoption is expected early next year and therefore the rules, procedures and IT platforms and systems to support the new monitoring framework should be ready by the middle of 2014. The Agency has been working on this since before the adoption of REMIT (the first Guidance on the interpretation of the REMIT definition was published before the Regulation entered into force), but the finalisation of this work critically depends on additional financial resources being made available to the Agency for this purpose. In fact, the increasing gap between the widening mandate attributed to the Agency and the financial and human resources assigned to it has been a feature already this year.

Despite the relentless effort of the Agency's staff and the significant contribution made to the Agency by National Regulatory Authorities for energy through secondments and the participation of many of their experts in the Agency's Working Groups, for which I am grateful, the ambitious set of activities presented in this Work Programme requires additional human and financial resources, especially to match the new tasks assigned to the Agency by REMIT and the TEN-E Regulation. This Work Programme is in line with the estimate of expenditure for 2014 made by the Administrative Board, with a supportive opinion by the Board of Regulators, in March 2013; should the additional resources required to deliver this Work Programme and envisaged in that estimate not become available to the Agency later this year or in 2014, the Work Programme would need to be revised and a number of activities planned for next year, especially with respect to the implementation of REMIT and the TEN-E Regulation, would need to be postponed. This would be a most unfortunate scenario, as it would jeopardise the timely achievement of proper market integration, after so much hard work in the past years and now that it seems close at hand.

In presenting this Work Programme to the Board of Regulators for approval and to the Administrative Board for adoption, I would like to acknowledge with thanks their continuous engagement and support. I am also grateful for the institutional support which the Agency continues to receive from the European Parliament's Committee for Industry Research and Energy and DG Energy of the European Commission. A final word of appreciation goes to my colleagues in the Agency. They have been working very hard and professionally to meet the many challenges that the Agency has faced since its opening and I have no doubt that they will continue to give their best to deliver on the Agency's widening mission.

Alberto Pototschnig, Director

Ljubljana, September 2013

Table of Contents

1. MISSION STATEMENT	6
2. STRATEGIC AIMS	6
3. THE AGENCY'S TASKS AND RESPONSIBILITIES	7
4. THE AGENCY'S FOCUS SO FAR.....	8
5. PRIORITIES FOR 2014.....	9
6. CONSULTATION ON 2014 WORK PROGRAMME	11
7. ORGANISATION, ADMINISTRATION AND FUNCTIONING OF THE AGENCY.....	11
7.1 INTERNAL ORGANISATION.....	11
7.2 COMMUNICATION ACTIVITIES.....	12
7.2.1 External Communication	12
7.2.2 Internal Communication.....	17
7.3 THE AGENCY'S PREMISES	19
7.4 HUMAN RESOURCES	20
7.5 ORGANISATIONAL CHART.....	24
7.6 ESTABLISHMENT PLAN 2014.....	25
7.7 BUDGET, FINANCE, AUDIT.....	26
7.7.1 Revenue.....	27
7.7.2 Expenditure.....	27
7.7.3 Audit.....	28
7.8 ICT INFRASTRUCTURE.....	29
7.9 INTERNAL AND HORIZONTAL ACTIVITIES	31
8. THE REGULATORY PRACTICE - COOPERATION WITH NRAS.....	32
8.1 OVERALL CONTEXT	32
8.2 BOARD OF REGULATORS (BoR).....	33
8.3 WORKING GROUPS (AWGs).....	35
8.4 REGIONAL COOPERATION.....	36
8.5 REMIT	36
8.6 EUROPEAN INFRASTRUCTURE PACKAGE	37
8.7 OTHER TOOLS FOR COOPERATION AND EXCHANGE OF INFORMATION AMONGST NRAS WITHIN THE AGENCY	38
8.8 INTERNATIONAL COOPERATION	39
9. REGULATORY ACTIVITIES.....	41
9.1 INTRODUCTION AND FRAMEWORK.....	41
9.2 STAKEHOLDERS' INVOLVEMENT	42
9.3 UNCERTAINTY AND RISKS	44

9.4	ELECTRICITY	45
9.4.1	<i>Framework Guidelines</i>	45
9.4.2	<i>Network Codes</i>	46
9.5	GAS	50
9.5.1	<i>Framework Guidelines</i>	50
9.5.2	<i>Network Codes</i>	51
9.6	CROSS-SECTOR ISSUES (ELECTRICITY AND GAS)	53
9.6.1	<i>Monitoring</i>	53
9.6.2	<i>Regional Initiatives</i>	54
9.6.3	<i>Infrastructure Development</i>	56
9.6.4	<i>Opinion on ENTSO-E and ENTSOG Relevant Documents</i>	58
9.6.5	<i>Activities which are Subject to Specific Conditions</i>	61
9.7	WHOLESALE MARKET MONITORING - REMIT	64
ANNEX 1: LIST OF ABBREVIATIONS		72
ANNEX 2: INDICATIVE PROCUREMENT PLAN FOR OPERATIONAL ACTIVITIES FOR 2014		74
ANNEX 3: OVERVIEW OF THE TASKS AND RESPONSIBILITIES ASSIGNED TO THE AGENCY AND THEIR LEGAL BASES		75

1. MISSION STATEMENT

The mission of the Agency for the Cooperation of Energy Regulators (the “Agency”), a European Union agency, as defined in Regulation (EC) No 713/2009¹, is to assist the National Regulatory Authorities for energy (NRAs) in exercising, at European Union (EU) level, the regulatory tasks performed in the Member States and, where necessary, to coordinate their actions.

The Agency was therefore established to fill the regulatory gap at EU level (beyond and across national borders) and to contribute towards the effective functioning of the IEM in electricity and natural gas.

2. STRATEGIC AIMS

The Agency provides a framework for NRAs to cooperate, particularly on cross-border issues or on issues which, whilst national, have a wider impact, and can take individual decisions in certain cases. The Agency plays a crucial role in the development and implementation of European gas and electricity market and network rules.

The Agency is also responsible for monitoring and reviewing the activities of the European Network of Transmission System Operators for Electricity and Gas (ENTSO-E and ENTSOG respectively). In addition, it has a general advisory role vis-à-vis the European Institutions as regards regulatory issues.

The Regulation on wholesale energy market integrity and transparency (REMIT)² which established rules prohibiting abusive practices affecting wholesale energy markets, extended the Agency’s responsibilities to the monitoring (at European level) of wholesale energy markets in close collaboration with national regulatory authorities.

¹ 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 (OJ L 211, 14.8.2009, p. 1).

² 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, 8.12.2011, p. 1).

The Regulation on Guidelines for trans-European energy infrastructure (“TEN-E Regulation”)³, which lays down guidelines for the timely development of priority energy infrastructure in specified corridors and areas, expanded the Agency’s responsibilities in the energy network planning area, by involving the Agency in the process for the selection of Projects of Common Interest and their regulatory treatment.

3. THE AGENCY’S TASKS AND RESPONSIBILITIES

The Agency has been assigned tasks and responsibilities by the Third Package – Directive 2009/72/EC (the “Electricity Directive”), Directive 2009/73/EC (the “Gas Directive”), Regulation (EC) No 713/2009 (the “Agency Regulation”), Regulation (EC) No 714/2009 (the “Electricity Regulation”) and Regulation (EC) No 715/2009 (the “Gas Regulation”)⁴, REMIT, Regulation (EU) 994/2010 on security of gas supply⁵, Commission Regulation (EU) 838/2010 on the inter-TSO compensation mechanism (the “ITC Regulation”)⁶ and the TEN-E Regulation. An overview of these tasks and responsibilities, and their legal bases, is presented in Annex 3.

³ Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009.

⁴ 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 (OJ L 211, 14.8.2009), Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC (OJ L 211, 14.8.2009), Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (OJ L 211, 14.8.2009), Regulation (EC) No 714/2009 of the European Parliament and of 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 (OJ L 211, 14.8.2009) and Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (OJ L 211, 14.8.2009).

⁵ Regulation (EU) No 994/2010 of the European Parliament and of the Council of 20 October 2010 concerning measures to safeguard security of gas supply and repealing Council Directive 2004/67/EC (OJ L 295, 12.11.2010).

⁶ Commission Regulation (EU) No 838/2010 of 23 September 2010 on laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging (OJ L 250, 24.9.2010).

4. THE AGENCY'S FOCUS SO FAR

During its first two years of operation the Agency focused on the development of Framework Guidelines, which set out the principles and objectives for Network Codes, as well as the review of the first Network Codes. These form the backbone of the IEM rules, particularly for market and network operation. Given the deadline set by the European Heads of State for the completion of the IEM by 2014, work has been intense; concrete results have already been achieved with the adoption of the first code (on Gas Capacity allocation) by the European Commission through the Regulatory procedure with scrutiny (Comitology).

The Agency has also been working to promote the early, voluntary implementation of the most relevant rules contained in the Network Codes⁷, even before their formal adoption, so that tangible benefits to European Energy consumers and citizens can be delivered as soon as possible.

At the same time, the Agency has also contributed to the process of European network planning through the opinions provided on the Ten Year Network Development Plans (TYNDP) prepared by ENTSOs, and monitored market development (both at European and regional level), which led to the production of the first Market Monitoring Report in 2011.

In 2012 the Agency also started the "implementation" of REMIT, with a view to be ready to operate the new monitoring framework envisaged therein in 2014. At the same time, the Agency's preparatory work prior to the adoption of the TEN-E Regulation has been crucial to allow the prompt adoption of the first list of Projects of Common Interest already in 2013.

⁷ Especially some of the provisions contained in the Network Code on Capacity Allocation and Congestion Management in electricity and the Network Code on capacity Allocation Mechanisms in gas.

5. PRIORITIES FOR 2014

The Agency's 2014 Work Programme includes the tasks assigned to the Agency by Regulation (EC) No 713/2009, other legislative measures included in the Third Legislative Package for an Internal EU Electricity and Gas Market (the "Third Package") and other relevant EU legislation, builds on the work performed in the last two years and reflects the main priorities regarding the development of (Framework Guidelines and) Network Codes, as defined by the European Commission⁸.

In 2014, the Agency will start the process for the development of Framework Guidelines in two new areas:

- Rules regarding harmonised electricity transmission tariff structures⁹;
- Rules for trading related to technical and operational provisions of network access services and system balancing in gas.

The Agency expects that a number of network codes will be submitted by the ENTSOs in 2014 and on which the Agency will be called to provide opinions and recommendations. The Agency is also planning to draft amendment proposals to Network Codes (mainly the one on capacity allocation mechanisms in gas) regarding an EU-wide market-based approach to the allocation of incremental capacity.

The Agency will continue with its monitoring activities – both on regional developments and the internal energy market - with the preparation of the third Market Monitoring report, which will focus primarily on the identification of obstacles for the IEM. Progress on the early implementation of network codes will be pursued through the Regional Initiatives.

⁸ In particular, reference is made here to the Draft Commission Decision on the establishment of the annual priority lists for the development of network codes and guidelines for 2014, in the text available at the time when this Work Programme was drafted (June 2013).

⁹ Scoping may already start in 2013.

2014 will also be a crucial year for the transition (from the preparatory design phase) to the operational phase of REMIT. The Agency will establish and administer a European register and will develop and deploy an IT system for market participants' registration, data collection, and most importantly, the real time effective monitoring of the markets for wholesale energy products.

The TEN-E Regulation will be fully implemented in 2014, and the Agency will be called to perform the tasks assigned to it, mainly related to the process of identification of Projects of Common Interest (PCIs), the development of the CBA methodology, the exchange of best practices on incentives and the handling of cross border cost allocation requests as a last resort.

In 2014 the Agency will also perform an assessment of whether and how the electricity and gas "target models", a shared vision for the future of the wholesale market in these sectors, would need to be enhanced in order to address the future challenges to develop an effective wide-ranging vision for 2020 on wholesale market arrangements, both in electricity and gas, including their inter-relationship and their overarching objectives and foundations.

The Agency will maintain and reinforce its dialogue with stakeholders and institutions in all appropriate formats and will strive to make its acts more accessible through citizens' summaries in order to reach out to all stakeholders and most importantly to consumers.

From a logistical point of view, in 2013 the two-year rent-free period offered by the Slovenian Government to the Agency for its current premises expired and the Agency is in the process of selecting its permanent premises.

With regard to human resources, 2014 is likely to be a year of further recruitment for the Agency. If REMIT and the TEN-E Regulation are to be implemented effectively, the Agency will require additional staff. Both the Agency's draft Budget for 2014, adopted by the Administrative Board on 20 March 2013, and the Multi-annual Staff Policy Plan for the period 2014–2016, envisage an increase in the number of staff to perform the new tasks as required by REMIT and the TEN-E Regulation, in the order of 35 and 12-14 FTE respectively. This Work Programme is drafted assuming that the Agency will be authorised

to recruit this additional staff from the beginning of 2014. If this were not to be the case, the Agency would be obliged to review this Work Programme and identify those activities which would have to be postponed to future years (negative priorities).

6. CONSULTATION ON 2014 WORK PROGRAMME

A draft of this Work Programme was submitted by the Director to the Board of Regulators, to the European Parliament and to the European Commission on 27 June 2013, pursuant to Article 17(6) of Regulation (EC) No 713/2009, and published on the Agency's website. In preparation of the draft Work Programme the Agency sought:

- Early comments from the European Parliament, ITRE Committee, during a meeting on 29 May 2013;
- Early stakeholders' feedback on the main areas of activity of the Agency in 2014 in a Workshop held in Ljubljana on 6 June 2013. The Agency thanks stakeholders for their valuable feedbacks and inputs on the outline of the Work Programme published on 29 May 2013.

7. ORGANISATION, ADMINISTRATION AND FUNCTIONING OF THE AGENCY

7.1 Internal Organisation

No change is expected in the internal structure of the Agency in 2014, which, as in 2013, will be based on four departments:

- The Electricity department,
- The Gas department,
- The Market Monitoring department,

- The Administration department,

and the Director's office.

In 2014 the Administrative Board is expected to meet four times and the Board of Regulators ten times. Meetings of the Board of Appeal cannot be planned in advance, as they depend on the requirements of the appeals lodged, if any.

7.2 Communication Activities

7.2.1 External Communication

According to the ACER Regulation, the Agency is required to consult extensively and at an early stage on its regulatory activities. Stakeholders' relations are thus an important part of the Agency's communications activities. The main objective is that stakeholders are involved in the Agency's work and their views are taken into account in a transparent manner.

According to Article 10(2) of the ACER Regulation, the Agency is expected to *provide to the public and interested parties objective, reliable and easily accessible information*. It should also make public a series of documents (agenda, background documents and, where appropriate, minutes of the meetings of the Boards, as well as annual reports and the work programme). The Agency is also expected to respect its transparency and consultation obligations.

The general external communication activities of the Agency (outside of stakeholders' relations and internal communication) will focus on enhancing the Agency's visibility and impact by communicating effectively with external target groups.

The Agency's communication channels will remain, in order of importance:

- Digital communication: website, newsletters, press releases, online public consultations, online surveys, online reports;
- Print communication, report on activities;

- Events, public workshops, seminars, conferences, participation to key stakeholders events;
- Media relations;
- Institutional relations;
- Public relations.

In 2014, the communication activities will continue to support the priorities set in the Agency's Work Programme in terms of regulatory activities. This will include timely public consultation using the ACER website as the main communication channel while developing other channels of interaction with stakeholders, such as online surveys, RSS feeds, social media and stakeholders-dedicated events.

During 2014, the Agency intends to continue to upgrade its website, to make it more user-friendly, with additional features and functionalities.

In terms of reporting, in 2014 the Agency will publish:

- the Annual Activity Report 2013, which will cover the activities of the Agency and the results achieved in 2013;
- the 2013 Regional Initiatives Status Review Report, which will cover progress achieved in the Electricity and Gas Regional Initiatives (see Section 8.4);
- the 2013 Market Monitoring Report, presenting the results of the Agency's monitoring activities (see Section 9.6.1);
- the REMIT Report, which will present the results of the Agency's monitoring of the wholesale energy markets under REMIT (see Section 9.7).

The Agency will organise one Annual Conference involving stakeholders at large.

The Agency's external communication objectives will be pursued in 2014 through a series of actions (deliverables), as outlined in the tables below.

Deliverable		Print publications: Annual Activity Report 2013
Targets and deadlines (indicative)	By 15 July 2014	
Performance indicators	Number of downloads on ACER website and on EU Publications Office: >10% increase with respect to 2013. Reader survey: 2/3 majority of respondents satisfied or highly satisfied.	
Staff resources allocated	0.1 FTE	
Risk assessment	No appreciable risk.	

Deliverable		Print publications: 2013 Regional Initiatives Status Review Report
Targets and deadlines (indicative)	By February 2014	
Performance indicators	Number of downloads on ACER website and on EU Publications Office: >10% increase with respect to 2013. Reader survey: 2/3 majority of respondents satisfied or highly satisfied.	
Staff resources allocated	0.1 FTE	
Risk assessment	No appreciable risk.	

Deliverable		Print publications: 2013 Market Monitoring Report
Targets and deadlines (indicative)	By November 2014	
Performance indicators	Number of downloads on ACER website and on EU Publications Office: >10% increase with respect to 2013. Reader survey: 2/3 majority of respondents satisfied or highly	

	satisfied.
Staff resources allocated	0.2 FTE
Risk assessment	No appreciable risk.

Deliverable		Print publications: REMIT Report 2013	
Targets and deadlines (indicative)		By August 2014	
Performance indicators		Number of downloads on ACER website and on EU Publications Office: >10% increase with respect to 2013. Reader survey: 2/3 majority of respondents satisfied or highly satisfied.	
Staff resources allocated		0.3 FTE	
Risk assessment		No appreciable risk.	

Deliverable		Events: Annual Conference	
Targets and deadlines (indicative)		March - May 2014	
Performance indicators		Number of participants: > 150. Participants satisfaction survey: 2/3 majority satisfied or highly satisfied.	
Staff resources allocated		0.3 FTE	
Risk assessment		Potential difficulties in attracting quality speakers, which may reduce the interest of the event and the level of participation.	

Deliverable		Events: Workshop on the Outline of the 2015 Work Programme	
Targets and deadlines (indicative)		June 2014	

Performance indicators	Number of participants > 5 ¹⁰ .
Staff resources allocated	0.2 FTE
Risk assessment	Low participation of stakeholders due to difficulties in accessing Ljubljana, where the event is held.

Activity	Agency Website
Targets and deadlines (indicative)	Enhance the capability of the website in the following areas: <ul style="list-style-type: none"> - Online surveys - Dedicated workspace for meetings/workshops - More dynamic features for news and announcements - Improve user-friendliness Completion of the migration from ACERnet to the new Website launched in 2012.
Performance indicators	Website hits: 5% increase with respect to 2013. Online survey: 2/3 majority of respondents satisfied or highly satisfied.
Staff resources allocated	0.5 FTE
Risk assessment	Timely delivery by external contractors of outputs related to the website.

Activity	Relations with Journalists
Targets and deadlines (indicative)	Infoflashes, request from journalists. On-going
Performance indicators	Number of Infoflashes: >40. Subscribers to Infoflashes: 5% increase with respect to 2013.
Staff resources allocated	0.2 FTE

¹⁰ The Workshops for the presentation of the Work Programme Outline held in Ljubljana on 6 June 2012 and on 6 June 2013 were attended by 3 and 1 participant, respectively.

Risk assessment	No appreciable risk.
-----------------	----------------------

Deliverables	Other Publications
Targets and deadlines (indicative)	Leaflets, Brochures on the Agency's activities. On-going
Performance indicators	Material updated to reflect new tasks assigned to the Agency.
Staff resources allocated	0.1 FTE
Risk assessment	No appreciable risk.

Risk assessment for external communication activities	Human resources constraints in communication and IT support for the ACER website could result in delays when providing public information to stakeholders.
--	--

7.2.2 Internal Communication

The aim of the Agency's internal communication activities is to ensure that staff is well informed about the Agency's mission and objectives, as well as internal developments. These activities should also contribute to a common corporate culture.

The target group is ACER staff.

To achieve these goals the main communication channels are:

- Digital communication: website, newsletters, newsfeeds
- Events/internal conferences

The main deliverables of the internal communication activities are the following:

Activity	Review of staff satisfaction with internal communication
Targets and deadlines (indicative)	On-going
Performance indicators	Staff satisfaction survey. Intranet statistics. Internal newsletter satisfaction survey.
Staff resources allocated	0.2 FTE

Deliverable	Improvement of ACER intranet as a tool to support internal communication
Targets and deadlines (indicative)	New features and services according to staff needs and demands.
Performance indicators	Question included in the annual staff survey on the level of information shared by line managers. 2/3 of participating staff satisfied or highly satisfied.
Staff resources allocated	0.1 FTE

Deliverable	Internal newsletter
Targets and deadlines (indicative)	On a monthly basis.
Performance indicators	Staff satisfaction measured through question on the internal newsletter in the staff survey. 2/3 of participating staff satisfied or highly satisfied.
Staff resources allocated	0.2 FTE

TOTAL STAFF on communication activities	2.5 FTE
--	----------------

7.3 The Agency's Premises

The Seat Agreement between the Government of the Republic of Slovenia and the Agency commits the Slovenian Government, inter alia, to provide office premises for the Agency for a period of two years, until 31 January 2013. In March 2012 the Agency launched a procurement procedure to select its permanent premises. Due to administrative and technical reasons the Agency abandoned the procedure and extended the rent of its temporary premises for a period of one year. In October 2012 the Agency launched a new procurement procedure for the permanent premises, taking into account the expansion of the Agency staff based on the adoption of the Regulation on Energy Market Integrity and Transparency (REMIT), assigning additional tasks to the Agency. In 2014 the Agency will have to establish itself in its permanent premises in Ljubljana.

The procurement procedure for the removal of the Agency, if needed, is to be launched as soon as the contract for the rent of the new premises is signed and finalised in early 2014.

The Agency already has most of the furniture and appliances needed for its daily activities. Due to the additional activities foreseen under REMIT, and depending on the selected permanent premises, a procurement procedure for additional furniture and appliances may be launched in January 2014.

In 2014, the Agency will also keep its liaison office in Brussels with one staff member (1 AD) assigned to it. The office is hosted in the premises made available, free of charge, by the Council of European Energy Regulators (CEER), as a contribution in kind to the working of the Agency. CEER also provides secretarial support to the Agency's activities in Brussels. The IT and information resources are shared with the liaison office, which makes it an indispensable part of the Agency's structure.

Activity	Premises
Targets and deadlines (indicative)	<p>The Agency's targets for 2014 are to:</p> <p>Successfully move to its permanent premises in Ljubljana by 1 February 2014 (subject to the timely finalisation of the procurement procedure as well as timely completion of the fitting-out of the premises).</p> <p>Finalise the procurement procedure in view of the delivery of any additional equipment required for the new premises by 1 February 2014, or, in the case of equipment required by additional staff being recruited by the Agency, by the time such staff joins the Agency.</p> <p>Finalise the procurement procedure(s) for any additional services that might be needed in the new premises by 1 February 2014.</p> <p>Ensure that all utility and additional services arrangements are in place in order to occupy the building in due time.</p>
Performance indicators	<p>New premises occupied by 1 February 2014.</p> <p>Delivery of any additional equipment required for the new premises as well as all related services needed for the normal functioning of the new premises in place by 1 February 2014, or, in the case of equipment required by additional staff being recruited by the Agency later in the year, by the time such staff joins the Agency.</p>
Staff resources allocated	3.0 FTE
Risk assessment	<p>Unforeseen delays in the finalisation of the procurement procedure for the Agency's permanent premises, which might result in delays in the removal of the Agency.</p> <p>Unforeseen delays in the fitting-out of the Agency's permanent premises, which might result in delays in the removal of the Agency.</p> <p>Delay in the related tenders and arrangements for additional furniture, appliances, IT infrastructure and related services.</p>

7.4 Human Resources

The organisational chart below reflects the internal structure of ACER in June 2013, which envisages 49 temporary agents, 2 contract agents on long-term employment, 5 contract agents on short-term employment and up to 16 seconded national experts (SNEs). The number of allocated staff in the different departments according to the organisational chart is the following:

- Director's Office: 8 temporary agents (5 ADs, 3 ASTs), 1 contract agent (long-term), 1 contract agent (short-term) and 2 SNEs;
- Administration Department: 11 temporary agents (4 ADs, 7 ASTs), 4 contract agents (short-term) and 1 SNE;
- Electricity Department: 11 temporary agents (9 ADs, 2 ASTs), 4 SNEs;
- Gas Department: 10 temporary agents (9 ADs, 1 AST), 1 contract agent (long-term), 3 SNEs;
- Market Monitoring Department: 9 temporary agents (7 ADs, 2 ASTs), 6 SNEs.

The REMIT and the TEN-E regulations have substantially widened the mission, role and responsibilities of the Agency and in this respect additional staff will be required in 2013 and, according to the MSPP 2014–2016, in 2014 in order to perform all the assigned tasks.

In particular, additional staff will be required to perform the tasks assigned by the TEN-E Regulation for which the Agency estimates that 14 additional temporary agents are required. More specifically:

- 4 temporary agents, 2 each in the Electricity and Gas Departments, to deal with all the methodological aspects of the TEN-E Regulation;
- 8 temporary agents (4 each in the Electricity and Gas Departments) will deal with the implementation issues;
- 2 temporary agents with IT skills will mostly be dealing with the flow of data and monitoring.

The *Fiche Financière* of REMIT only reflects the Commission proposal from 8 December 2010 and does not take into consideration the amendments that the draft was subject to in the European Parliament and in the Council during the legislative process, until its final

adoption on 25 October 2011. Moreover, during the implementation phase, it has emerged that, due to its unprecedented scope, effective market monitoring under REMIT requires the dedication of a larger number of market analysts and other expert staff than what was envisaged in the *Fiche Financière*. In this respect, the need for additional human resources for operating the wholesale energy market monitoring effectively and for performing the additional tasks and activities is estimated to amount to 35 additional temporary agents in 2014. It is also expected that the increased resources allocated to REMIT will require the splitting of the Market Monitoring department into two separate departments: the Department of Market Oversight and Department of Analysis and Surveillance. More specifically:

- 15 temporary agents, to deal with the additional tasks assigned to the Agency during the legislative process;
- 15 temporary agents, to complement the current staff assigned to market monitoring activities to deal with the scale and complexity of these activities, which have become evident with the detailed definition of the trading and fundamental data to be reported and collected by the Agency;
- 5 temporary agents in central and support functions (legal, human resources, communication, procurement and IT), to support the increase in staff numbers and the substantial expansion in the activities of the Agency.

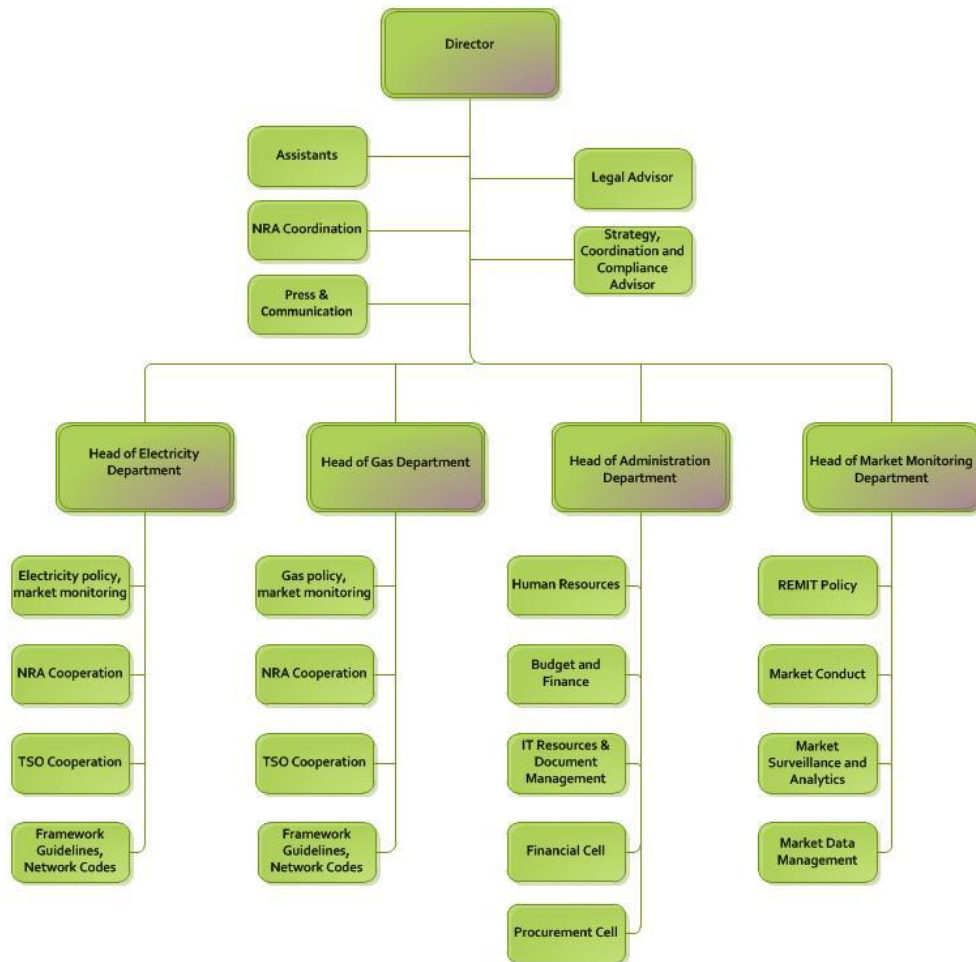
In 2014 the Agency will carry out its third annual performance appraisal exercise, in order to assess the efficiency, ability and conduct in the service of the staff members (TAs and CAs) with a view to assess career perspectives and identify training needs. All staff members that will have been in active service or on secondment in the interest of the service for a continuous period of at least four months by the end of 2013 are expected to participate in the exercise.

Activity	Human Resources
Targets and deadlines (indicative)	<p>ACER's targets for 2014 are to:</p> <p>Complete the recruitment of the additional resources (14 temporary agents) in 2014 required to fulfil the new tasks assigned under the TEN-E Regulation¹¹.</p> <p>Complete the recruitment of the additional resources (35 temporary agents) in 2014 required to fulfil the tasks assigned under the REMIT Regulation¹².</p> <p>Successfully complete the Annual performance appraisal exercise to be carried out in 2014.</p>
Performance indicator(s)	<p>Achievement of at least 90% of the recruitment goals on time.</p> <p>100% of ACER staff subject to performance appraisal in the 2014 exercise.</p>
Staff resources allocated	4.0 FTE
Potential risks	<p>The quantitative recruitment targets are based on the Establishment Plan 2014 submitted by the Agency. Should the Agency be authorised to recruit a lower number of new staff, the targets should be considered as adjusted accordingly.</p> <p>The interest attracted by the vacant posts and the availability of suitable candidates are major factors influencing the achievement of the KPI. The Agency has already encountered significant difficulties in filling the advertised posts in the past, due to the low number of applications and the inadequate profiles of part of the applicants.</p> <p>In this respect, the limited range of international education opportunities for children of prospective applicants, and the difficulties of finding suitable employment for their spouses/partners, has proved to be a major barrier in attracting suitably-qualified staff to Ljubljana. It is likely that the Agency will face similar challenges in 2014.</p>

¹¹ Subject to the Agency being authorised to recruit new staff according to its Establishment Plan 2014. See "Potential risks".

¹² Subject to the Agency being authorised to recruit new staff according to its Establishment Plan 2014. See "Potential risks".

7.5 Organisational Chart



7.6 Establishment Plan 2014

Function group and grade	2013		2014	
	Authorised under EU Budget		Draft Budget	
	Permanent Posts	Temporary Posts*	Permanent Posts	Temporary Posts**
AD 16	0	0	0	0
AD 15	0	0	0	0
AD 14	0	1	0	1
AD 13	0	0	0	0
AD 12	0	0	0	0
AD 11	0	4	0	5
AD 10	0	0	0	0
AD 9	0	2	0	2
AD 8	0	6	0	11
AD 7	0	6	0	16
AD 6	0	4	0	4
AD 5	0	11	0	36
AD total	0	34	0	75
AST 11	0	0	0	0
AST 10	0	0	0	0
AST 9	0	0	0	0
AST 8	0	0	0	0
AST 7	0	0	0	0
AST 6	0	0	0	0

AST 5	0	1	0	5
AST 4	0	0	0	0
AST 3	0	14	0	18
AST 2	0	0	0	0
AST 1	0	0	0	0
AST total	0	15	0	23
TOTAL	0	49	0	98
GRAND TOTAL	49		98	

* Additional staff figures for the TEN-E Regulation are not included in the Establishment Plan 2013 authorised under the EU budget. Additional staff figures for the TEN-E Regulation (14 TAs) are included in the Establishment Plan and 2014 Draft EU budget. 14 TAs have been envisaged for this purpose already in the approved MSPP 2014-2016.

** Additional REMIT staff members (35 temporary agents) are included in the Establishment Plan and 2014 Draft EU budget. 35 TAs have been envisaged for this purpose already in the approved MSPP 2014-2016.

Beyond the 98 temporary agents listed in the table above, the Agency's staff in 2014 is envisaged also to include 16 SNEs, 2 long-term CAs and 5 short-term CAs. However, some of the temporary agents (envisaged to perform tasks for implementing REMIT and the TEN-E Regulation) will be recruited gradually during the course of 2014, if the posts and the respective budget are authorised. Therefore, for the purpose of this Work Programme, a total of 96.5 FTE staff is considered, under the assumption that staff recruited in 2014 accounts for half of a FTE.

7.7 Budget, Finance, Audit

The approved annual subsidy for the financial year 2013 from the general budget of the European Union for the Agency amounted to €8.94m, including €1.57m in assigned revenue.

The impact of the implementation of the energy market monitoring tasks under REMIT and the TEN-E Regulation are reflected in an increase in human resources and additional

supporting expenditure to ensure the implementation of the new tasks. Consequently, an increased budgetary contribution totalling €15.52m has been estimated by the Administrative Board of the Agency for the financial year 2014.

7.7.1 Revenue

REVENUE	Approved Budget 2013	Draft Budget 2014
1. REVENUE FROM FEES AND CHARGES	0	0
2. EU CONTRIBUTION	8.941.220	15.525.320
Of which Administrative (Title 1 and Title 2)	6.967.383	12.516.374
Of which Operational (Title 3)	402.412	2.316.340
Of which assigned revenues deriving from previous years' surpluses	1.571.425	692.606
EFTA contribution	0	0
TOTAL REVENUE	8.941.220	15.525.320

7.7.2 Expenditure

EXPENDITURE	Commitment and payment appropriations	
	Approved Budget 2013	Draft Budget 2014
Title 1: Staff Expenditure	5.886.199	10.117.941
11 Salaries & allowances	5.383.135	9.312.804
<i>of which establishment plan posts</i>	4.421.536	8.296.346
<i>external personnel</i>	961.599	1.016.458
12 Expenditure relating to Staff recruitment	103.000	192.584
13 Mission expenses	130.000	177.094
14 Socio-medical infrastructure	28.500	57.221

15 Training	90.000	213.717
16 External Services	136.564	152.521
17 Receptions and events	15.000	12.000
Title 2: Infrastructure and operating expenditure	2.652.609	3.091.039
20 Rental of buildings and associated costs	1.120.000	1.439.960
21 Information and communication technology	445.800	494.500
22 Movable property and associated costs	102.000	58.500
23 Current administrative expenditure	92.000	108.240
24 Postage/Telecommunications	105.200	122.000
25 Meeting expenses	367.609	322.839
26 Running costs in connection with operational activities	20.000	20.000
27 Information and publishing	0	0
28 Studies	400.000	525.000
Title 3: Operational expenditure	402.412	2.316.340
30 Representation expenses	20.000	30.000
31 Operational Missions	225.000	396.200
32 Stakeholder involvement, public relations and website	127.875	314.600
33 Translations	24.537	60.540
34 Professional indemnity	5.000	15.000
35 REMIT operations	0	1.500.000
TOTAL EXPENDITURE	8.941.220	15.525.320

7.7.3 Audit

The activity of the Agency is regularly evaluated by the Internal Audit Services (IAS) of the European Commission and the European Court of Auditors (ECA).

According to the Strategic Audit Plan 2013-2015 of IAS, the audit topics for this period will focus on:

- Budget execution and procurement;
- IT governance (in the context of preparedness for REMIT);
- Planning, budgeting and monitoring;
- Development of framework guidelines and opinion on network codes.

The topic for 2013 IAS audit was “Planning, budgeting and monitoring”, which took place in mid-June 2013.

The audit performed by ECA is mainly focused on the financial, HR and procurement areas.

Activity	Budget Implementation and Audit
Targets and deadlines (indicative)	The Agency’s targets for 2014 are to achieve: A high level of budget implementation for both commitment and payment appropriations. Positive evaluation results from both IAS and ECA.
Performance indicator(s)	At least 95% execution of 2014 commitment appropriations. Minimum 75% execution of 2014 payment appropriations. Positive opinion of the IAS. Non-qualified opinion from ECA.
Staff resources allocated	5.5 FTE

7.8 ICT Infrastructure

In 2014 the IT Unit will be confronted with the following important challenges:

- The Agency’s move from the current premises to the permanent ones. This will represent a major task for the IT Unit, since it will have to ensure the Agency’s business continuity in performing its tasks and duties without significant interruption of the ICT services. The removal of the ICT infrastructure should be executed

effectively, according to an appropriate plan that will ensure continuity of ICT services at an acceptable level and within the time frame indicated by the Agency's needs.

- Continuing the further establishment of the IT Services and function according to European Commission standards, in 2014 the IT Unit will follow and implement the recommendations of the IAS resulting from the audit that took place in June 2013.
- Further development and acquisition of applications and services to cover the Agency's departments' needs and the maintenance or renewal of the existing ones: As the Agency's departments are reinforced, their needs for ICT services and products also increase. The IT Unit must collect, understand and assess business requirements and proceed with all the necessary procedures that will contribute to a more efficient functioning of the Agency.
- Where needed, the ICT equipment, software and hardware infrastructure of the Agency will be renewed or upgraded. In 2014 the Agency will enter its fourth year of operation; since the retention period for IT equipment is set to four years, the IT Team will have to identify which of the software and hardware infrastructure needs to be upgraded or renewed.

Activity	ICT Development
<p>Targets and deadlines (indicative)</p>	<p>Perform the transition of the ICT infrastructure from the old to the new premises whilst ensuring an acceptable level of business continuity and within the time frame indicated by the Agency's needs.</p> <p>Follow and implement the recommendations of the IAS that took place in 2013.</p> <p>Ensure the further development and acquisition of applications and services to cover the Agency's departments' needs and the maintenance or renewal of those already in place.</p> <p>Where needed, upgrade or renew the ICT equipment, software and hardware infrastructure of the Agency.</p>

Performance indicators	<p>Successful transition of the ICT infrastructure from the old to the new premises, within the time frame indicated by the Agency's needs.</p> <p>Implementation of the most important recommendations of the IAS in 2013 according to the agreed Action Plan.</p> <p>Further development and acquisition of new applications, maintenance or renewal of the existing ones in order to cover the Agency's departments' needs in 2014.</p> <p>Accurate identification of ICT equipment to be upgraded / renewed and successful integration of the new equipment.</p>
Potential risks	<p>Short time-frame between the delivery of the new premises and the date for execution of the removal; potential problems with the new building's existing infrastructure to be used for ICT purposes.</p> <p>IT Team internal resources availability and adequate staffing.</p> <p>Having in place the necessary contracts that will enable the ordering of the software/hardware and IT services needed.</p> <p>Budget availability, possible problems with integration of new ICT equipment, hardware/software with existing ones.</p>
Staff resources allocated	6.0 FTE

7.9 Internal and Horizontal Activities

Apart from the specific activities and deliverables presented in this Work Programme, the Agency needs to maintain administrative support and a number of central services. Strategic direction, leadership and coordination across the different departments are also essential to ensure the effective and efficient operation of the Agency in delivering on its mission and meeting its objectives.

Therefore, beyond the staff devoted to specific activities and deliverables, the following positions have a more strategic and coordination role:

- Director, supported by the Assistant to the Director and Secretary of the Director (3 FTE);
- Planning, Coordination and Compliance advisers (2 FTE).

In addition, staff members allocated to the following positions also have a more horizontal role not assigned to specific deliverables within this Work Programme:

- Legal advisers (2.5 FTE).

8. THE REGULATORY PRACTICE - COOPERATION WITH NRAS

8.1 Overall Context

The Agency promotes and facilitates the cooperation of NRAs at Union level and in the exercise of Union-related functions without replacing their regulatory functions at national level. It thus fully complements the European mandate of the NRAs (in line with their reinforced independence) and their duty to promote, in close cooperation with each other and the Agency, a competitive, secure and environmentally sustainable internal energy market and its effective opening (under the Third Package). The Agency provides an integrated framework within which NRAs cooperate, facilitating the uniform application of legislation regarding the internal energy market throughout the Union and thereby increases market integration.

The stronger the market integration, the more important the need for a European approach to regulation on cross-border issues and for enhanced cooperation to ensure the complementarity of regulatory action and scrutiny at national and European level.

Regulatory cooperation is reflected in the Agency's structure, which includes a Board of Regulators. The Commission's proposal for the establishment of the Agency underlined that "only a body emanating from the national regulators can catalyse all the necessary resources of national regulators that is fundamental to achieving success on these issues. The Agency can through its Regulatory Board – which consists of NRAs – call upon the staff of these NRAs..."

Furthermore, regulatory cooperation is also reflected in the Agency's internal organisational arrangements (presented below), which reflect the mutual responsibility of the Agency and

the NRAs to closely consult and cooperate with each other (foreseen in the Third Package and reinforced in REMIT and the TEN-E Regulation, given also the interdependence of regulatory action and its broader impact on the IEM).

The Agency's working arrangements - through four Working Groups, covering the main areas of the Agency's work, and two coordination groups on electricity and gas to oversee regional arrangements (bringing together the NRAs' representatives and Agency's staff) - ensure that the cooperation of NRAs is reflected in all of the Agency's regulatory activities. This collaboration has facilitated a common understanding of the issues at stake and provided valuable input in the preparation of the Agency's acts. Cooperation has been further expanded in the preparatory work for the implementation of the TEN-E Regulation. For REMIT, in addition to the dedicated Working Group, additional forms of cooperation, such as Memoranda of Understanding (MOUs) between the Agency and the NRAs - have been developed to ensure close coordination of the monitoring tasks between the Agency and NRAs; there are also synergies between NRAs and ACER, not only in preparing the relevant acts but also in sharing services (for example, registration and data collection) and in the implementation of common pilot projects.

8.2 Board of Regulators (BoR)

The Board of Regulators (BoR) consists of senior representatives of the NRAs, one for each Member State (and one alternate), and one non-voting representative of the European Commission. The Director also participates at the BoR meetings and presents his proposals and regular updates on the Agency's activities. In July 2013, the BoR was enlarged to include one more NRA (the Croatian Energy Regulatory Agency HERA, as Croatia joins the EU as of 1 July 2013).

Without prejudice to its members' acting on behalf of their respective national authorities, the BoR acts independently and its decisions should comply with European Union law.

Lord Mogg and Mr Walter Boltz were unanimously reappointed as Chair and Vice Chair of the BoR respectively, for a new term of office of two and a half years taking effect from 6 November 2012.

Under the Third Package, the BoR is responsible for providing consent on reasoned opinions, recommendations and decisions presented by the Director in relation to the regulatory functions of the Agency and for approving the Agency's Work Programme, before its adoption by the Administrative Board) and the regulatory activities section of the Agency annual report. The BoR is also consulted on the Agency's budget and provides guidance to the Director within its ambit of competences.

Other duties of the BoR include its formal opinion to the Administrative Board on the candidate to be appointed as Director. The BoR is also consulted by the European Commission on the proposal of the members of the Board of Appeal and makes recommendations with regard to the Commission's report on the evaluation of the Agency and its working methods.

In accordance with the REMIT Regulation, the BoR is consulted by the Director on all aspects of its implementation.

Under the TEN-E Regulation, the BoR provides its opinion on the Agency's opinion on the draft regional lists of Projects of Common Interest, in particular on the consistent application of the criteria and the CBA across regions.

Further to the above responsibilities, the BoR facilitates and promotes the cross fertilisation of information and experience amongst NRAs on regulatory issues.

The BoR typically meets on a monthly basis. During 2014 it is expected to hold 10 meetings. All the meeting agendas, minutes and background documents (following their approval) are made public and available at the following link:

http://acernet.acer.europa.eu/portal/page/portal/ACER_HOME/Public_Docs/Board_of_Regulators/2012%20Meetings/23rd%20BoR

As from the second half of 2013, regular public debriefings from the BoR Chair and the Director are provided in order to raise awareness of its deliberations and progress in the

preparation of the Agency's acts which are considered for adoption. This practice will continue in 2014.

8.3 Working Groups (AWGs)

The Agency's Working Groups (AWGs) bring together representatives of the NRAs and the Agency's staff to consolidate the expertise of regulators and their understanding of national markets with the expertise of the Agency's staff. The AWGs' objectives are to:

- Provide inputs to the Director for the preparation of opinions, recommendations and decisions which are submitted for the consideration of the BoR;
- Support the Director (and the Agency staff) on other tasks, such as reviewing and analysing stakeholders' submissions during a consultation process;
- Provide information to the BoR on the issues relevant to the Director's proposal and to facilitate the necessary BoR decisions on the favourable opinion(s) required before the opinions, recommendations and decisions are adopted by the Director.

There are currently four AWGs which cover the main areas of the Agency's work on regulatory issues: Electricity, Gas, Market Integrity and Transparency, and Implementation, Monitoring and Procedures. Each AWG has established one or more Task Forces (TFs) to address specific issues.

The AWGs are a core part of the Agency and are essential to ensure the high standard of the acts foreseen in the Agency's Work Programme.

The AWGs' and TFs' members are bound by the Rules of Procedure of the AWGs, including measures to legally align the provisions governing the functioning of the WGs and TFs with those governing the functioning of the Agency, especially in the areas of confidentiality and intellectual property rights.

The structure of the Agency's WGs and the TFs can be found on the following link:

http://www.acer.europa.eu/The_agency/Organisation/Working_groups/Pages/default.aspx

8.4 Regional Cooperation

Under the Third Package, the Agency cooperates at regional level with NRAs in order to ensure the compatibility of regulatory frameworks within and between regions with the aim to achieve a competitive IEM.

Since its creation in March 2011, the Agency coordinates the regional framework for this cooperation: the Regional Initiatives (RIs). There are two dedicated RIs: the Electricity Regional Initiative (ERI) and the Gas Regional Initiative (GRI).

Two Coordination Groups were set up – one for ERI and another one for GRI – with the aim to foster integration at regional and cross-regional level and to ensure that the activities and projects undertaken in the different regions are consistent. These groups involve NRAs, the Agency and the European Commission. Progress is reflected in regular annual and quarterly progress reports (the Annual Status Review Report and the online Quarterly Reports).

The Groups meet on a frequent basis and report regularly to the Director and to the BoR. Within the ERI, specific NRAs were designated as leaders of the four cross-regional roadmaps for the implementation of the Target Models for Capacity Allocation and Congestion Management. Within the GRI, work at regional level is driven by Lead NRAs in the three gas regions, and early implementation of Network Codes has already started with the Roadmap on Capacity Allocation Mechanisms and will continue in other areas.

8.5 REMIT

Close cooperation and coordination between the Agency and NRAs is required under REMIT to ensure proper monitoring and transparency of wholesale energy markets. The Agency's Director consults the BoR on all aspects of implementation of the REMIT Regulation and gives due consideration to its advice and opinions.

Apart from the cooperation through the AMITWG, which allows for the NRAs' early input on ACER's work, an internal regulators' surveillance forum has been established under ACER. The Agency and NRAs have received queries submitted by market participants and other stakeholders. The forum represents an effective tool for the Agency and NRAs to exchange and discuss internally all questions received, so that a common Agency-NRAs view is developed. The outcome of these discussions is then used not only to provide answers to specific queries, but also as an input for the Agency's non-binding Guidance to NRAs on the interpretation of REMIT definitions and the Questions & Answers paper which is published on the ACER website.

In 2014 the AMITWG will continue to promote collaboration between ACER and the NRAs and to ensure a coordinated approach to the application and enforcement of the relevant rules under REMIT.

The Agency will continue to aim at ensuring that NRAs carry out their tasks under REMIT in a coordinated and consistent way, which includes the issuing of non-binding guidance on the application of REMIT. The concrete modalities for coordination and cooperation in dealing with suspected breaches of market abuse rules under REMIT are defined in MoUs between the Agency and NRAs signed in 2013.

8.6 European Infrastructure Package

Cooperation between the Agency and NRAs is foreseen in implementing the TEN-E Regulation, which entered into force on 15 May 2013. This cooperation is based on existing regional structures and other structures established by the Member States and the Commission. The tasks provided therein for the NRAs and the Agency confirm the need for a close collaboration and exchange of best practices including, *inter alia*, on the PCI selection process and on the discipline for incentives.

8.7 Other Tools for Cooperation and Exchange of Information amongst NRAs within the Agency

In addition to the structure and working arrangements already presented in this Section, included the further requirements for formal cooperation envisaged in REMIT and the TEN-E Regulation, the collaboration between NRAs within the Agency is also promoted by other means, such as the network for Communication officers, which facilitate the development of a consistent communication towards stakeholders.

Furthermore, the Agency provides assistance to NRAs upon their request through the collection of information and facilitation of information exchange.

All forms of NRAs' cooperation within the Agency are supported by the use of the Agency's intranet, which includes separate sections for the BoR, specific meeting folders for the AWGs and sections on Regional Initiatives (ERI and GRI) and the Energy Infrastructure Package. All Task Forces are fully supported by dedicated IT applications.

In addition to the working arrangements within the Agency, the cooperation with the CEER and the participation of the Agency in several regulatory events promoting regulatory cooperation with regulatory authorities outside Europe is also essential.

The Agency's target for 2014 regarding regulatory cooperation is summarised below:

Activity	Regulatory Cooperation
Activities	<p>Maintain high efficiency in the working method of the BoR, AWGs, to facilitate their overall operation with a view to promoting regulatory cooperation. Increase awareness of the BoR operations by the public through debriefings. Improve the format of meetings and agendas, facilitate the exchange of information through dedicated folders, and provide Secretariat debriefings on the items in the agenda included for information.</p> <p>Develop, where appropriate, beyond the existing working arrangements, the tools for the cooperation of NRAs (including at regional level) and their strong links with the Agency in new areas such as monitoring of the markets for the effective implementation of the network codes.</p> <p>Contribute to developing the regional cooperation further through the dedicated ERI and GRI Groups, in line with the agreed objectives set out in</p>

	<p>the cross-regional plans in electricity and in gas, with a new focus on new pilot projects.</p> <p>Allow the sharing of best practices between NRAs and the Agency on issues of common interest.</p> <p>Foster exchange of experience with the regulatory associations outside the EU, where necessary, and on areas of mutual interest (e.g. FERC on market monitoring activities).</p> <p>Consolidate regulatory cooperation and working arrangements in the context of the Energy Infrastructure work and a consistent framework across the regions and corridors in undertaking the Agency's new tasks under the proposed TEN-E Regulation.</p> <p>Reinforce cooperation between NRAs under REMIT, both at EU and regional level, through MOUs, and potential synergies in services to avoid duplication.</p>
Status	On-going
Targets and deadlines (indicative)	Throughout the year.
Performance indicators	Positive feedback from a survey measuring NRA satisfaction with the Agency's work in these areas.
Staff	2 FTE
Risk assessment	<p>The Agency relies on the voluntary participation of NRAs in the Agency Working Groups, in the coordination Groups for the Regional Initiatives, focusing primarily on the early implementation of the network codes, and in the regional corridors set up in order to facilitate the work on the TEN-E Regulation. Furthermore, as a result of the third energy package and the REMIT Regulation, the Agency and the NRAs are under an obligation to mutually cooperate. Without this cooperation, the Agency would lack the expertise of the NRAs, which have extensive knowledge of their national markets, and would be obliged to outstretch its own resources. It would also not be able to ensure consistency from the early stages, nor to effectively undertake its duties under REMIT. The Agency would thus run the concrete risk of not delivering on its Work Programme, which has been prepared taking into account the support of the NRAs through the above platforms of cooperation.</p>

8.8 International Cooperation

While most of the tasks of the Agency relate to the cooperation among EU NRAs, there are some activities which require or may benefit from collaboration with regulatory entities in third countries.

Both The Agency Regulation and REMIT include provisions for the involvement of third countries in the activities of the Agency¹³, even though so far no third country has been admitted to participate in the Agency.

However, the implementation of the Network Codes inevitably requires the coordination with third countries whose systems are interconnected with the EU networks, even more so in the case of synchronous electricity transmission systems. Therefore, Norway and Switzerland take part in some of the work carried out under the ERI¹⁴. Moreover, the Contracting Parties of the Energy Community are also due to implement the Network Codes in their territories and this calls for even stronger cooperation between the Agency and the regulatory authorities in these third countries. Institutional cooperation between ACER and the European Community will thus be enhanced, both as concerns relations with the Community's Secretariat and its Regulatory Board (ECRB).

Furthermore, the TYNDPs in both electricity and gas typically also cover adjacent third countries. Their assessment may require the acquisition of information from regulatory authorities in such jurisdictions.

¹³ Article 31 of Regulation (EC) No 713/2009 states that "(1) The Agency shall be open to the participation of third countries which have concluded agreements with the Community whereby they have adopted and are applying Community law in the field of energy and, if relevant, in the fields of environment and competition. (2) Under the relevant provisions of those agreements, arrangements shall be made specifying, in particular, the nature, scope and procedural aspects of the involvement of those countries in the work of the Agency, including provisions relating to financial contributions and to staff". Article 19 of REMIT states that "Insofar as is necessary to achieve the objectives set out in this Regulation and without prejudice to the respective competences of the Member States and the Union institutions, including the European External Action Service, the Agency may develop contacts and enter into administrative arrangements with supervisory authorities, international organisations and the administrations of third countries, in particular, with those impacting the Union energy wholesale market in order to promote the harmonisation of the regulatory framework. Those arrangements shall not create legal obligations in respect of the Union and its Member States nor shall they prevent Member States and their competent authorities from concluding bilateral or multilateral arrangements with those supervisory authorities, international organisations and the administrations of third countries".

¹⁴ In particular in the activities aimed at the early implementation of the provision in the Network Code on Capacity Allocation and Congestion Management in the area of wholesale electricity market coupling.

Finally, the effective implementation of REMIT requires the Agency to cooperate with entities tasked with wholesale market monitoring responsibilities in non-EU jurisdictions. Wholesale energy markets are becoming increasingly global and effective cooperation of monitoring authorities is essential to protect the integrity and transparency of these markets.

In this context, the Agency has been in contact with regulatory authorities in Switzerland¹⁵ and the United States and expects, during 2014, to enter into appropriate administrative arrangements, according to article 19 of REMIT, with the Federal Energy Regulatory Commission (FERC). These arrangements will govern the cooperation between FERC and the Agency whenever an exchange of information is required to support the respective market monitoring activities.

9. REGULATORY ACTIVITIES

9.1 Introduction and Framework

This Section presents the regulatory activities which the Agency expects to undertake in 2014, according to the mandate assigned to it by the Third Package, REMIT and the TEN-E Regulation. In many cases, and certainly in relation to the development of Network Codes, the tasks which the Agency expects to be called to perform in 2014 are part of processes which involve other parties, such as the European Commission and the ENTSOs. Therefore, the exact nature and timing of the activities which the Agency will perform in 2014 depend crucially on the way in which these processes will progress and on the contributions to them from these other parties. Progress in the development of Framework Guidelines and Network Codes is constantly monitored and regularly discussed in Planning Group meetings, which take place typically every 2-3 months and bring together representatives from the European Commission – Directorate-General for Energy, ENTSO-E, ENTSG and the Agency. The Planning Group maintains and constantly updates a Three-Year Plan, where

¹⁵ The Swiss Federal Electricity Regulatory Commission ElCom. However, contacts in relation to the implementation of REMIT are suspended, pending the conclusion of the negotiations between the Swiss Federal Government and the European Union on the more general Energy *acquis*.

the activities of the four participating bodies in the Framework Guidelines and Network Codes area are assigned the appropriate timeline (which may occasionally change due to unexpected circumstances, e.g. a larger than expected participation in public consultations which lead to the need of extra time to analyse the submission from participating stakeholders).

The current version Three-Year Plan is available at:

http://ec.europa.eu/energy/gas_electricity/codes/codes_en.htm

The availability of resources will also determine the pace at which the Agency will be able to implement this Work Programme and the Agency may have to review it during 2014, should the available resources turn out to be different from those which have been assumed as the basis for this Work Programme. This aspect is further elaborated in Section 9.3.

9.2 Stakeholders' Involvement

Stakeholders' involvement represents an essential part of the Agency's activities. According to Article 10(1) of the Agency Regulation, in carrying out its tasks, in particular in the process of developing Framework Guidelines and in the process of proposing amendments of Network Codes, the Agency shall "consult extensively and at an early stage with market participants, transmission system operators, consumers, end-users and, where relevant, competition authorities, without prejudice to their respective competence, in an open and transparent manner, in particular when its tasks concern transmission system operators". More specifically, according to Articles 6(3) of the Electricity Regulation and of the Gas Regulation, the Agency shall formally consult ENTSO-E and ENTSOG and the other relevant stakeholders with regard to the Framework Guidelines, for the electricity and gas sector respectively, during a period of no less than two months, in an open and transparent manner.

Consultation also plays an important role in the implementation of the more recent regulations: REMIT and TEN-E.

The Agency is committed to involving and consulting stakeholders well beyond the minimum requirement set by the Electricity and Gas Regulations. In this respect, the Agency has developed an extensive practice of stakeholders' consultation and involvement and, in 2013, adopted Guidelines for Public Consultations. Even when working under very tight deadlines, such as in providing reasoned opinions on network codes, the Agency aims to collect stakeholders' feedback through Workshops.

Moreover, in the context of the ERI, the Agency has established, since April 2011, an Agency Electricity Stakeholders Advisory Group, with the participation of the European Commission, NRAs, industry representatives and the Agency, in which implementation issues are discussed. The Agency intends to maintain this Group in 2014.

Under the Roadmap for the early implementation of the Capacity Allocation Mechanisms Network Code in gas, an EU Stakeholders Group has also been created, comprising representatives of the European Commission, Member States, NRAs, ENTSOG, TSOs representing the pilot projects (as well as other NRAs and TSOs interested), the Lead Regulators of the three gas regions, stakeholder associations and the Agency. The Group has the aim to involve and engage EU stakeholders and promote a high level of transparency in each step of the implementation process.

Since 2012 the Agency has also consulted stakeholders on its Work Programme. In particular, the outline of this Work Programme has been presented to the ITRE Committee of the European Parliament on 29 May 2013 and to stakeholders in a Workshop in Ljubljana on 6 June 2013 and benefitted from the feedback received from stakeholders by the deadline of 14 June 2013.

The Agency also regularly responds to questions and requests it receives from stakeholders.

Activity	Relations with Stakeholders
Targets and deadlines (indicative)	Requests from stakeholders. On-going

Performance indicators	Responses to stakeholders provided within 15 working days.
Staff resources allocated	1.0 FTE
Risk assessment	No appreciable risk.

9.3 Uncertainty and Risks

As indicated in Section 8.3, AWGs play an important role in complementing the Agency's staff in developing most of the activities of the Agency. AWGs comprise NRAs experts and Agency's staff. Therefore the implementation of this Work Programme depends crucially on:

- the continuous support of the NRAs, through the AWGs; and
- the Agency being assigned sufficient human resources.

Due to budget restrictions in public administrations throughout the EU, the support of NRAs cannot always be taken for granted; a reduction of such assistance due to external factors could significantly affect the Agency's capacity to perform the activities and produce the deliverables foreseen in this Work Programme.

With respect to the Agency's staffing, the performance of the activities proposed in this Work Programme is consistent with the Establishment Plan for 2014 as presented in Section 7.6, which was reflected in the preliminary draft budget for 2014 submitted by the Director to the Administrative Board and the Board of Regulators on 15 February 2013. This Draft Budget served as the basis for the estimate of revenue and expenditure of the Agency for 2014 made by the Administrative Board, pursuant to Article 23(1) of Regulation (EC) No 713/2009.

In particular, the Establishment Plan for 2014 envisages an increase in the Agency's staff by 49 units, of which 35 for the full implementation of REMIT and 14 for the implementation of the TEN-E Regulation.

However, the subsidy to the Agency from the EU Budget and therefore the resources actually available to the Agency in 2014 will not be defined until the EU Budget is adopted by the Budgetary Authority. This will happen towards the end of 2013, and therefore after the Work Programme is finally approved by the Board of Regulators (by 1 September) and adopted by the Administrative Board (by 31 September). Such adoption is in any case without prejudice to the annual budgetary procedure. Therefore, it is only once the EU Budget is adopted and the resources available to the Agency finally defined that the Agency will be in a position to assess the feasibility of its Work Programme. At that stage, a revision of the content of the Work Programme may have to be proposed.

Finally, the timing of some activities to be performed by the Agency and which are part of a more complex process – such as the development of Framework Guidelines and Network Codes – may be affected by the contributions of other stakeholders to the same process, as highlighted in Section 9.1. The emerging impact on the timing of the delivery of the Agency's tasks is highlighted where relevant. In the case of activities related to the development of Network Codes, in what follows, when defining the timeline for the Agency's deliverables, explicit reference is made to the Three-Year Plan.

9.4 Electricity

In what follows, in relation to the development of Framework Guidelines and Network Codes, the activities are presented according to the sequence of the different steps in the development process.

9.4.1 Framework Guidelines

Deliverable	Scoping for Framework Guidelines on Rules on Harmonised Electricity Transmission Tariff Structure
Legal basis	Article 6(4) Reg. (EC) No 713/2009; Articles 6(7), 6(9) and 8(6)(k) Reg. (EC) No 714/2009
Status	Scoping for the Framework Guidelines on Rules on Harmonised Electricity Transmission Tariff Structure started in 2013 and will be completed in 2014.

Targets and deadlines (indicative)	Delivery of the Scoping for the Framework Guidelines on Rules on Harmonised Electricity Transmission Tariff Structure according to the timeline indicated in the Three-Year Plan.
Performance indicators	The timely delivery to the European Commission of the Scoping for the Framework Guidelines on Rules on Harmonised Electricity Transmission Tariff Structure.
Staff	0.4 FTE
Risk assessment	Given the limited resources of the Agency, the involvement of NRAs and national experts is essential to ensure the timely delivery of the Recommendation.

9.4.2 Network Codes

Deliverable	Recommendation on the Network Code on forward capacity allocation ¹⁶
Legal basis	Article 6(4) Reg. (EC) No 713/2009; Articles 6(7), 6(9) and 8(6)(g) Reg. (EC) No 714/2009
Status	ENTSO-E shall submit the Network Code on Forward Capacity Allocation for opinion to the Agency by 1 October 2013. The Agency shall issue an opinion on this Network Code within three months of receiving the Network Code from ENTSO-E. The recommendation to the European Commission could be issued at the same time as the opinion or later, depending on whether the Agency is satisfied or not with the compliance of the Network Code with the Framework Guideline.
Targets and deadlines (indicative)	Delivery of the Recommendation to the European Commission on the Network Code on Forward Capacity Allocation according to the timeline indicated in the Three-Year Plan.
Performance indicators	The timely delivery to the European Commission of the Recommendation on the Network Code on Forward Capacity Allocation.
Staff	0.5 FTE

¹⁶ This activity may already be performed in 2013 if the Agency will issue the Recommendation at the same time as the Reasoned Opinion on the Network Code on Forward Capacity Allocation, planned for Q4 2013.

Risk assessment	Given the limited resources of the Agency, the involvement of NRAs and national experts is essential to ensure the timely delivery of the Recommendation.
-----------------	---

Deliverables	Opinion and Recommendation on the Network Code on Electricity Balancing
Legal basis	Article 6(4) Reg. (EC) No 713/2009; Articles 6(7), 6(9) and 8(6)(h) and (j) Reg. (EC) No 714/2009
Status	ENTSO-E shall submit the Network Code on Electricity Balancing to the Agency by 1 January 2014. The Agency shall issue an Opinion on this Network Code within three months of receiving it from ENTSO-E. The Recommendation to the European Commission could be issued at the same time as the Opinion or later, depending on whether the Agency is satisfied with the compliance of the Network Code with the Framework Guideline.
Targets and deadlines (indicative)	Delivery of the Opinion and Recommendation to the European Commission on the Network Code on Electricity Balancing according to the timeline indicated in the Three-Year Plan.
Performance indicators	The timely delivery to the European Commission of the Opinion and Recommendation on the Network Code on Electricity Balancing.
Staff	1.0 FTE
Risk assessment	Given the limited resources of the Agency, the involvement of NRAs and national experts is essential to ensure the timely delivery of the Opinion and the Recommendation.

Deliverables	Opinion and Recommendation on the Network Code on High-Voltage Direct Current (HVDC) Connections
Legal basis	Article 6(4) Reg. (EC) No 713/2009; Articles 6(7), 6(9) and 8(6)(b) Reg. (EC) No 714/2009
Status	The Framework Guidelines on Electricity System Operation were submitted to the European Commission in July 2011. The European Commission invited ENTSO-E to develop a Network Code on HVDC Connections and to submit it to the Agency by 1 st May 2014. The Agency shall issue an Opinion on this Network Code within three

	<p>months of receiving it from ENTSO-E.</p> <p>The Recommendation to the European Commission could be issued at the same time as the Opinion or later, depending on whether the Agency is satisfied or not with the compliance of the network code with the Framework Guideline.</p>
Targets and deadlines (indicative)	Delivery of the Opinion and Recommendation on the Network Code on HVDC Connections according to the timeline indicated in the Three-Year Plan.
Performance indicators	The timely delivery to the European Commission of the Opinion and Recommendation on the Network Code on HVDC Connections.
Staff	0.9 FTE
Risk assessment	Given the limited resources of the Agency, the involvement of NRAs and national experts is essential to ensure the timely delivery of the Opinion and the Recommendation.

Deliverables	Opinion and Recommendation on the Network Code on Operational Procedures in Emergency
Legal basis	Article 6(4) Reg. (EC) No 713/2009; Articles 6(7), 6(9) and 8(6)(a) and (f) Reg. (EC) No 714/2009
Status	<p>The Framework Guidelines on Electricity System Operation were submitted to the European Commission in December 2011. The European Commission is expected in 2013 to invite ENTSO-E to develop the Network Code on Operational Procedures in Emergency.</p> <p>The Agency shall issue an Opinion on this Network Code within three months of receiving it from ENTSO-E.</p> <p>The Recommendation to the European Commission could be issued at the same time as the Opinion or later, depending on whether the Agency is satisfied or not with the compliance of the network code with the Framework Guideline.</p>
Targets and deadlines (indicative)	Delivery of the Opinion and Recommendation on the Network Code on Operational Procedures in Emergency according to the timeline indicated in the Three-Year Plan.
Performance indicators	The timely delivery of the opinion and recommendation on the Network Code on Operational Procedures in Emergency.
Staff	0.9 FTE

Risk assessment	Given the limited resources of the Agency, the involvement of NRAs and national experts is essential to ensure the timely delivery of the Opinion and the Recommendation.
-----------------	---

Activity	Advice and support on network codes during the comitology procedure, as appropriate
Legal basis	Article 6 and Article 8(6)(a)(b)(g) and (j) of the (EC) Regulation 714/2009
Status	The Agency recommended the electricity grid connection Network Codes and the Network Code on Capacity Allocation and Congestion Management for adoption by the European Commission via the comitology procedure. Recommendations for the electricity system operation Network Codes are also expected to be delivered in 2013 and for the Network Code on Forward Capacity Allocation and the Network Code on Electricity Balancing in early 2014.
Targets and deadlines (indicative)	Advice and support to be provided along the timelines determined by the Commission and the Comitology Committees.
Performance indicators	The timely delivery of the feedback on the network codes in due course of comitology.
Staff	0.4 FTE
Risk assessment	No appreciable risk.

Activity	Preparation for and monitoring of the implementation of the adopted network codes
Legal basis	Article 6(6) of Regulation (EC) No 713/2009 and Article 9(1) of Regulation (EC) No 714/2009
Status	The Agency recommended the electricity grid connection network codes and the capacity allocation and congestion management network codes for adoption by the EC via the comitology procedure. Recommendations for the electricity system operation network codes are also expected to be delivered in 2013 and for the Network Code on Forward Capacity Allocation and the Network Code on Electricity Balancing in early 2014.

Targets and deadlines (indicative)	The Agency is required to prepare for the monitoring of the implementation of the adopted network codes. For this purpose it will establish (i) a suitable framework concept with the NRAs and the ENTSO-E, (ii) working processes and (iii) IT support. This activity will also promote a consistent interpretation by NRAs of the provisions contained in the Network Codes.
Performance indicators	No deliverable expected in 2014.
Staff	0.5 FTE
Risk assessment	No appreciable risk.

9.5 Gas

In what follows, in relation to the development of Framework Guidelines and Network Codes, the activities are presented according to the sequence of the different steps in the development process.

9.5.1 Framework Guidelines

Deliverable	Scoping of Rules for trading related to technical and operational provisions of network access services and system balancing
Legal basis	Article 6 and Article 8(6)(h) of the (EC) Regulation 715/2009
Status	Begin scoping process to identify whether binding EU rules for the further harmonisation of the design of capacity products and contracts as regards, firmness, restrictions to allocation or secondary market are needed, taking into account the implementation of the guideline on congestion management procedures and the network codes on capacity allocation mechanisms and balancing.
Targets and deadlines (indicative)	Delivery of Scoping for Framework Guidelines on Rules for trading related to technical and operational provisions of network access services and system balancing according to the timeline indicated in the Three-Year Plan.
Performance indicators	The timely delivery of the Scoping for Framework Guidelines on Rules for trading related to technical and operational provisions of network access services and system balancing.

Staff	0.7 FTE
Risk assessment	<p>The topic is less clearly defined than others, which may lead to different expectations.</p> <p>Given the limited resources of the Agency, the involvement of NRAs is essential to ensure the timely delivery of the Opinion and the Recommendation.</p>

9.5.2 Network Codes

Activity	Opinion and Recommendation on the Network Code on Rules regarding Harmonised Gas Transmission Tariff Structure
Legal basis	Article 6 and Article 8(6)(k) of the (EC) Regulation 715/2009
Status	The Framework Guidelines on Rules regarding Harmonised Gas Transmission Tariff Structure are expected to be published in November 2013. The European Commission will then invite ENTSOG to develop the Network Code within a period of 12 months. It is therefore likely that the Network Code will be delivered to the Agency in 2014, even though the Opinion and Recommendation will be issued in 2015.
Targets and deadlines (indicative)	Delivery of the Opinion and Recommendation on the Network Code on Rules regarding Harmonised Gas Transmission Tariff Structure according to the timeline indicated in the Three-Year Plan.
Performance indicators	The timely delivery of the opinion and recommendation on the Network Code Rules regarding Harmonised Gas Transmission Tariff Structure.
Staff	0.9 FTE
Risk assessment	Given the limited resources of the Agency, the involvement of NRAs is essential to ensure the timely delivery of the Opinion and the Recommendation.

Deliverable	Drafting amendments for the relevant network codes related to the allocation of 'new build' incremental gas transmission capacity
Legal basis	Article 6 and Article 7 of the (EC) Regulation 715/2009
Status	Start the Network Code amendment process in relation to Capacity Allocation Mechanisms in the second half of 2013. Foresee a process for

	including tariff rules in the Network Code regarding Rules for Gas Transmission Tariff Structures together with the European Commission (given that the Network Code on Tariffs would come before comitology adoption).
Targets and deadlines (indicative)	Agency's preparation of the amendments on the basis of the proposal from ENTSOG.
Performance indicators	Delivery of the Proposal for the amendment of the Network Code on Capacity Allocation Mechanisms according to the timeline indicated in the Three-Year Plan.
Staff	1.4 FTE
Risk assessment	Given the limited resources of the Agency, the involvement of NRAs is essential to ensure the timely delivery of the Proposal.

Activity	Advice and support on Network Codes during the comitology procedure, as appropriate (Interoperability and Data NC)
Legal basis	Article 6 and Article 8(6)(e)(d) of the (EC) Regulation 715/2009
Status	Start of the comitology procedure in Q1/2014.
Targets and deadlines (indicative)	Q2-3 2014 (advise EC during the comitology procedure).
Performance indicators	The timely delivery of the feedback on the network codes in due course of comitology.
Staff	0.3 FTE
Risk assessment	No appreciable risk.

Activity	Preparation for and monitoring of the implementation of the adopted Network Codes and CMP Guidelines
Legal basis	Article 9(1) of the (EC) Regulation 715/2009

Status	The Network Code on Capacity Allocation mechanism is expected to come into force in October 2013. It will have to be implemented by November 2015. Other Network Codes are not expected to be implemented in 2014.
Targets and deadlines (indicative)	<p>The Agency is required to prepare for the monitoring of the implementation of the adopted Network Codes. For this purpose it will establish (i) a suitable framework concept with the NRAs and the ENTSOG, (ii) working processes and (iii) IT support.</p> <p>This activity will also promote a consistent interpretation by NRAs of the provisions contained in the Network Codes.</p> <p>The Agency will monitor the guidelines on congestion management procedures.</p> <p>The Agency will facilitate the work by ENTSOG, TSO's, NRA's and others, as the need may be, relating to capacity platforms.</p> <p>Annual Monitoring Report on congestion at IPs: 1 March 2014.</p>
Performance indicators	Timely delivery of the Monitoring Report on congestion management.
Staff	2.1 FTE
Risk assessment	NRA/ENTSOG involvement and support in the process is needed but not guaranteed. NRAs shall participate via the Regional Initiatives and the working groups to ensure compliant and timely implementation. A number of NRAs are pushing back on implementation monitoring, to delay the process. The Agency will not be in a position to meet the deadlines without sufficient support from the NRAs, especially for the delivery of the CMP Monitoring Report, as the timeline is extremely tight.

9.6 Cross-Sector Issues (Electricity and Gas)

9.6.1 Monitoring

Monitoring of the internal markets in electricity and natural gas

Deliverable	Annual Market Monitoring Report
Legal basis	Articles 11 (1) and (2) of Regulation (EC) 713/2009
Status	In 2014 the Market Monitoring Report ("MMR") will focus on the functioning of energy markets and ways to improve their efficiency, in order to make energy more affordable for European consumers. More specifically, the MMR will analyse the evolution of retail prices for electricity and natural gas, wholesale market integration, access to networks (including electricity

	<p>produced or gas sourced from renewable energy sources), and compliance with consumer rights.</p> <p>In line with previous issues, the MMR will provide in-depth analysis of barriers to integration and give recommendations to the European Parliament and Commission on how to remove them.</p> <p>The Agency's policy and market monitoring teams for gas and electricity will coordinate the substance of the MMR with the Directorate-General for Energy of the European Commission in order to avoid duplication of work.</p> <p>The Agency will also cooperate and coordinate with the Council of European Energy Regulators (CEER).</p>
Targets and deadlines (indicative)	<p>Annual Market Monitoring Report:</p> <p>Expected completion date: November 2014.</p>
Performance indicators	<p>Timely completion of the Annual Market Monitoring Report.</p> <p>Positive feedback by the European Parliament, the European Commission and stakeholders on the market monitoring report, including the possibility of a survey following the publication and presentation of the report.</p>
Staff	8.5 FTE
Risk assessment	<p>The quality of the report depends on the quality and accessibility of the data received by the Agency. Human resource constraints may impact the timely delivery and quality of the report. The integrity of all data sources needs to be secured electronically and, in some cases, to be coordinated with REMIT.</p>

9.6.2 Regional Initiatives

A) Support and Monitoring

Activity	Coordination and monitoring of activities for the early implementation of Network Codes
Legal Basis	Several articles on regional dimension of Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009
Status	<p>The ERI Roadmaps were endorsed by the Florence Forum in December 2011 are under implementation.</p> <p>The first GRI Roadmap on Capacity Allocation Mechanisms, endorsed by the Madrid Forum in October 2012, is under implementation.</p>
Targets and deadlines	On-going process. Progress in roadmaps implementation is reviewed regularly through the Status Review and online Quarterly Reports.

(indicative)	
Performance indicator	The timely implementation of the cross-regional Roadmaps.
Staff	2.3 FTE
Risk assessment	Strong commitment is required from all parties involved in order to ensure early implementation, especially from TSOs, PXs and NRAs.

B) Annual Status Review Report

Deliverable	Regional Initiatives Annual Status Review Report
Legal Basis	Several articles on regional dimension of Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009
Status	The report promotes transparency towards stakeholders, informing them on progress achieved in RIs, obstacles faced during the year and indicates the way forward.
Targets and deadlines (indicative)	Expected completion date of the Regional Initiatives Status Review Report 2014: December 2014.
Performance indicators	Timely publication of the Status Review Report.
Staff	0.6 FTE
Risk assessment	Given the limited resources of the Agency, the involvement of NRAs and national experts is essential to ensure the timely delivery of the Reports.

C) Quarterly Reports

Deliverables	On-line quarterly reports on the activities of the Electricity Regional Initiative On-line quarterly reports on the activities of the Gas Regional Initiative
Legal basis	Several articles on regional dimension of Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009
Status	The on-line ERI and GRI reports are complementary to the Regional Initiatives Annual Status Review Report, allowing for a more regular

	tracking of updated regional developments on a quarterly basis.
Targets and deadlines (indicative)	Expected timeframes: January, April, July and October 2014.
Performance indicators	Timely publication of the reports.
Staff	0.2 FTE
Risk assessment	Given the limited resources of the Agency, the involvement of NRAs and national experts is essential to ensure the timely delivery of the Reports.

9.6.3 Infrastructure Development

The TEN-E Regulation assigns various new tasks to the Agency in the field of infrastructure development, however no resources have been assigned to the Agency yet and the performance of the activities listed in this Section depends on the Agency being assigned the additional staff (14 units) envisaged in this respect in the Establishment Plan for 2014.

The Agency, where appropriate, may consolidate some of the deliverables envisaged by the TEN-E Regulation and listed below with deliverables related to the TSO cooperation work area tasks, particularly where the tasks and deliverables are complementary.

Deliverable	Opinions on the (electricity and gas) methodologies for the cost-benefit analysis (CBA) of infrastructure projects
Legal basis	Article 11(2) of Regulation (EU) No 347/2013
Status	Preparatory activities have been carried out in 2012-2013. Close collaboration with ENTSOs has been established for the purpose of preparing the CBA methodologies. In electricity, the Agency published on 30 January 2013 a position on ENTSO-E's "Guideline to Cost Benefit Analysis of Grid Development Projects."
Targets and deadlines (indicative)	ACER's Opinions regarding CBA methodology should be delivered within three months of receipt of the methodologies from the ENTSOs. Depending on the date of the submission of the CBA methodology by the ENTSOs to the Agency, the opinion may be adopted in late 2013 or early 2014.
Performance	Opinion delivered within three months of receiving the CBA methodology

indicators	from the ENTSOs.
Staff	1.1 FTE
Risk assessment	Activity subject to additional human resources being assigned to the Agency. However, even in this case, the involvement of NRAs is essential to ensure the timely delivery of the Opinion.

Deliverable	Annual Consolidated Report on progress of projects of common interest and Recommendations to facilitate the implementation and overcoming delays/difficulties in PCI implementation (if necessary)
Legal basis	Articles 5(3) and 5(5) of Regulation (EU) No 347/2013
Status	Preparatory work has been carried out to define information needs and the principles of receiving and processing the information (annual reports) submitted by project promoters.
Targets and deadlines (indicative)	Report published within three months of the receipt of the annual reports by the project promoters.
Performance indicators	Timely delivery of the Report.
Staff	2.1 FTE
Risk assessment	Activity subject to additional human resources being assigned to the Agency. However, even in this case, the involvement of NRAs is essential to ensure the timely delivery of the Report.

Activity	Guidance on Cross-Border Cost Allocation methodology
Legal basis	Articles 7(2) and 7(3) of Regulation (EC) No 713/2009 (taking into account duties under Article 12 of the Regulation (EU) No 347/2013)
Status	Preparatory activities carried out in 2013.
Targets and deadlines (indicative)	Guidance issued in the first quarter of 2014.
Performance	Timely delivery of the guidance.

indicators	
Staff	2.2 FTE
Risk assessment	Activity subject to additional human resources being assigned to the Agency. However, even in this case, the involvement of NRAs is essential to ensure the timely delivery of the Guidance.

Activity	Sharing of good practices and recommendations on incentives on the basis of benchmarking of best practice by NRAs and common methodology to evaluate the incurred higher risks of investments in electricity and gas projects
Legal basis	Article 7(2) of Reg. 713/2009 and Article 13(5) of Reg 347/2013
Status	Preparatory activities carried out in 2013 regarding methods of risk assessment and ensuring consistency between investment risk analysis and other infrastructure project-related work.
Targets and deadlines (indicative)	This deliverable was already included in the Agency's Work Programme for 2013, which indicated the deadline as December 2013. However, the delivery of the document was postponed in the Mid-term review of the 2013 Work Programme due to the limited resources of the Agency.
Performance indicators	Delivery of the good practice document.
Staff	1.1 FTE
Risk assessment	Activity subject to additional human resources being assigned to the Agency. However, even in this case, the involvement of NRAs is essential to ensure the timely delivery of the Opinion.

9.6.4 Opinion on ENTSO-E and ENTSG Relevant Documents

The Agency will monitor the activities of ENTSO-E and ENTSG and report on it in the various specific opinions which it is required to issue on individual documents as specified in the following subsection. Such reporting will be considered as fulfilling the mandate to report on the execution of the tasks referred to in articles 8(1), (2) and (3) of Regulations (EC) 714/2009 and 175/2009.

9.6.4.1 Electricity

Deliverables	<p>Annual monitoring report on the implementation and management of the inter-TSO compensation fund</p> <p>Opinions on ENTSO-E's annual work programme and ENTSO-E's annual report</p> <p>Opinions on ENTSO-E's annual Summer and Winter supply outlooks</p> <p>Opinion on ENTSO-E's common network operation tools including a common incidents classification scale</p> <p>Opinion on ENTSO-E's research and development plan</p> <p>Opinion on the electricity Community-wide Ten-Year Network Development Plan (TYNDP)</p> <p>Opinion on ENTSO-E's recommendations relating to the coordination of technical cooperation between Community and third-country transmission system operators</p> <p>Report on monitoring the implementation of the electricity Community-wide TYNDP and the progress as regards the implementation of projects to create new interconnector capacity</p> <p>Opinion on ENTSO-E's draft Scenario Outlook & Adequacy Forecast</p>
Legal basis	<p>Article 1(4) of Annex Part A, Commission Regulation (EU) No 838/2010</p> <p>Articles 6(3)(b) and 6(4) of Regulation (EC) No 713/2009 in conjunction with Articles 8(3)(d) and 8(3)(e) of Regulation (EC) No 714/2009</p> <p>Article 6(3)(b) of Regulation (EC) No 713/2009 in conjunction with Article 8(3)(f) of Regulation (EC) No 714/2009</p> <p>Article 6(3)(b) of Regulation (EC) No 713/2009 in conjunction with Article 8(3)(a) of Regulation (EC) No 714/2009</p> <p>Article 6(3)(b) of Regulation (EC) No 713/2009 in conjunction with Article 8(3)(a) of Regulation (EC) No 714/2009</p> <p>Articles 6(3)(b) and 6(4) of Regulation (EC) No 713/2009 in conjunction with Article 8(3)(b) of Regulation (EC) No 714/2009</p> <p>Article 6(3)(b) of Regulation (EC) No 713/2009 in conjunction with Article 8(3)(c) of Regulation (EC) No 714/2009</p> <p>Articles 6(7) and 6(8) of Regulation (EC) No 713/2009</p> <p>Article 6(3)(b) of Regulation (EC) No 713/2009 in conjunction with Article 8(3)(b) of Regulation (EC) No 714/2009</p>
Status	Activities to be carried out upon submission of the relevant documents by ENTSO-E.
Targets and deadlines	<p>Monitoring report on 2013 ITC implementation: September 2014.</p> <p>Opinion on ENTSO-E's Work Programme: within two months after receipt</p>

(indicative)	of the document by ENTSO-E. Opinion on ENTSO-E's TYNDP: within two months after receipt of the document by ENTSO-E. Opinion on ENTSO-E's other documents: after receipt of the document by ENTSO-E.
Performance indicators	Timely delivery of the reports and opinions.
Staff	3.6 FTE
Risk assessment	The delivery is subject to the release of corresponding documents by ENTSO-E and to the availability of resources (taking into account the possible reprioritisation of activities for the tasks of Regulation (EU) No 347/2013).

9.6.4.2 Gas

Deliverables	<p>Opinions on ENTSOG's annual work programme and ENTSOG's annual report</p> <p>Opinions on ENTSOG's common network operation tools including a common incidents classification scale and research plans</p> <p>Opinions on ENTSOG's annual Summer and Winter supply outlooks</p> <p>Reviews and recommendations on national TYNDP regarding their (in)consistency with the Community-wide TYNDP</p> <p>Opinions on ENTSOG's recommendations relating to the coordination of technical cooperation between Community and third-country transmission system operators</p> <p>Report on monitoring the implementation of the Community-wide TYNDP and the progress as regards the implementation of projects to create new interconnector capacity</p>
Legal basis	For all deliverables: Article 6(3)(b) Regulation (EC) 713/2009 For Work Programme: Article 6(4) Regulation (EC) 713/2009 and Article 9(2) Regulation (EC) 715/2009
Status	Opinions on submitted documents have been regularly delivered during the previous years, except for opinions on network operation tools including a common incidents classification scale and research plans and recommendations relating to the coordination of technical cooperation between Community and third-country transmission system operators, which were not submitted to the Agency by ENTSOG.
Targets and	Upon receipt of the 2014 Work Programme from ENTSOG, ACER will

deadlines (indicative)	deliver its opinion within two months from the day of receipt (the work will be performed by ACER staff in close cooperation with the relevant ACER working group). Other opinions will be provided upon receipt from ENTSOG of the relevant documents, within a reasonable time (usually two to three months).
Performance indicators	Timely delivery of the reports and opinions.
Staff	3.3 FTE
Risk assessment	The delivery is subject to the release of corresponding documents by ENTSOG and to the availability of resources (taking into account the possible reprioritisation of activities for the tasks of Regulation (EU) No 347/2013).

9.6.5 Activities which are Subject to Specific Conditions

The activities listed in this Section are either performed upon request from certain parties, as specified in the Third Package or in the TEN-E Regulation, or are triggered by certain external events. Since it is not known if these activities have to take place, for the time being no resources are allocated to them. If these activities have to be performed, resources will have to be re-allocated during the year from other activities.

A) Decisions on Terms and Conditions and Operational Security of Cross-Border Interconnectors

Deliverable	Decision on terms and conditions and operational security of cross-border interconnectors
Legal basis	Regulation (EC) No 713/2009, Article 8
Status	When required - i.e. when the concerned NRAs jointly request such a decision, or when they fail to reach an agreement within a predefined period (6 months, with possible extension).
Targets and deadlines (indicative)	Expected completion date: up to 6 months from date of referral to the Agency.
Performance indicators	Timely delivery of decision.

Risk assessment	Coordination with stakeholders, access to information critical for performance of task.
-----------------	---

B) Decisions on Cross-Border Cost Allocation

Deliverable	Decisions on investment requests including on cross-border cost allocation decisions and notifications to the Commission
Legal basis	Regulation (EU) 347/2013, Article 12(6) and (7)
Status	When required - i.e. when the concerned NRAs jointly request such a decision, or when they fail to reach an agreement within a predefined period (6 months).
Targets and deadlines (indicative)	Expected completion date: up to three months from the date of referral; in case of incomplete information the period can be further extended by two months, following receipt of the complete information.
Performance indicators	Timely delivery and notification of the decision.
Risk assessment	The delivery is subject to constraints on available resources. ACER has not taken such decisions in the past; as a result the first ones could be more time-consuming.

C) Advice to the Commission on the Certification of Transmission System Operators (TSOs)

Deliverable	Opinions on preliminary decisions by NRAs on TSO certification when requested by the Commission
Legal basis	Article 9(2) of Regulation (EC) No 713/2009 Article 3(1) of Regulations (EC) No 714/2009 and (EC) No 715/2009
Status	Regular consultation and information exchange is taking place between the Commission and the Agency. Upon request of the Commission. The Agency has not been requested to provide the opinion on the national regulatory authority's decision regarding the certification of TSOs yet.

Targets and deadlines (indicative)	The deadline for providing the Agency's opinion is two months from the receipt of a Commission request.
Performance indicator	Timely delivery of the Agency's opinion to the Commission.
Risk assessment	Tight time constraints regarding the provision of the formal opinion of the Agency.

D) Opinion and Recommendations in the Areas of the Agency's Competence, to Member States, National Regulatory Authorities, the European Parliament, the Council and the European Commission

Deliverable	Opinions and recommendations in the areas of its competence, upon request by Member States, National Regulatory Authorities, the European Parliament, the Council and the European Commission
Legal basis	Regulation (EC) No 713/2009, Article 5
Status	Upon request.
Targets and deadlines (indicative)	Opinion/recommendation delivered within six months from the request, except for complex issues requiring data collection/surveys/ consultations.
Performance indicators	Timely delivery of opinion or recommendation.
Risk assessment	Coordination with stakeholders, access to information critical for performance of task.

E) Opinions and Recommendations on the Agency's own Initiative

Deliverable	Opinions and Recommendations of its own initiative, whenever appropriate, for ensuring the proper functioning of the European Internal Energy Market
Legal basis	Regulation (EC) No 713/2009, Article 5
Status	The Agency has the responsibility of issuing Opinions and Recommendations of its own initiative, whenever appropriate, for ensuring the proper functioning

	<p>of the European Internal Energy Market.</p> <p>During 2013 the Agency has initiated a review of the “Electricity Target Model” and of the “Gas Target Model”, the “blueprints” for the design of the Internal electricity and gas markets respectively. This review aims at identifying those aspects of these Target Models which need to be enhanced in response to and to support, inter alia, the increased penetration of renewable-based electricity generation and the recent development related to unconventional gas. This activity will continue in 2014 and may result in the Agency issuing a recommendation on its own initiative.</p>
Targets and deadlines (indicative)	<p>To be initiated when necessary or appropriate.</p> <p>A recommendation following the review of the Electricity and Gas target Model may be issued, depending on the results emerging from the review.</p>
Performance indicators:	<p>Delivery of Opinion or Recommendation.</p>
Risk assessment	<p>This activity, not being in response to specific legal requirements, may need to be deprioritised as a result of binding constraints on available resources.</p>

9.7 Wholesale Market Monitoring - REMIT

While many of the obligations¹⁷ and the market abuse prohibitions introduced by REMIT already apply since the entry into force of the Regulation on 28 December 2011, the requirement for market participants to register and the obligation to report on wholesale energy product transaction will only apply from, respectively, three and six months after the adoption by the Commission of the Implementing Acts on the Records of Transactions.

Therefore, the operational stage of REMIT, when the Agency will be required to operate the Centralised European Register of Energy Market Participants (CEREMP) and to monitor the wholesale energy markets using the transaction and fundamental data reported by market participants and other stakeholders, will only start sometime during 2014, the exact date depending on the date of adoption of the Implementing Acts. By that time the Agency will have to have completed the development and deployment of the IT platforms and

¹⁷ For example, the obligations for market participants to publish inside information and to notify the Agency of delays in the publication of inside information and the obligations for persons professionally arranging transactions to establish effective arrangements and procedures to identify breaches of Market Abuse prohibitions and to notify NRAs of suspected breaches of market abuse prohibitions.

procedures for the acquisition of market participants registration information from NRAs, the operation of CEREMP, the acquisition of the reported transaction and fundamental data, the assessment of trading activities to detect any instance of market abuse, the sharing of these data with NRAs, the notification to NRAs of suspected market abuse instances, the coordination of cross-border investigations. In this Work Programme it is assumed that the Implementing Act is adopted by the end of 2013, so that the Agency will be required to complete the development and deployment of the IT platforms and procedures referred to above in the first part of 2014 and to operate the CEREMP and the full market monitoring framework later in the year. The activities listed below reflect this assumption.

The performance of the activities listed in this Section depends on the Agency being assigned the additional staff (35 units) envisaged in this respect in the Establishment Plan for 2014 and which will be recruited in the course of 2014. Therefore, each additional member of staff is counted as ½ full-time equivalent over the whole year.

Deliverable	Establishment and administration of a European register of market participants
Legal basis	Article 9 of REMIT
Status	On-going
Targets and deadlines (indicative)	Registration shall start no later than 3 months after the implementing acts are adopted.
Performance indicators	Full deployment and running of the IT-system for registration completed by the date of adoption of the Implementing Acts, in order to allow sufficient time to NRAs and market participants for completing the first phase of the registration.
Staff	1 FTE
Risk assessment	The registration process takes place at a national level. NRAs may not have sufficient resources for managing the strict deadline of 3 months for completing the first phase of registration, especially in countries with a high number of market participants. Practical solutions have to be adopted for ensuring the completion of the registration process in the timeframe envisaged by REMIT.

Activity	Further development and maintenance of IT solutions for market surveillance, data collection, and data sharing of wholesale energy markets
Legal basis	Articles 7, 8 and 10 of Reg. (EU) 1227/2011
Status	Development of the IT platform for market surveillance, data collection, and data sharing of wholesale energy markets started in 2013 and is on-going.
Targets and deadlines (indicative)	Market monitoring, data collection and data sharing shall start 6 months after the Implementing Acts are adopted.
Performance indicators	The timely availability and operation of the IT solutions.
Staff	2 FTE (plus intense cooperation of IT office and procurement staff)
Risk assessment	Data collection will be extremely complex due to the large amount of data to be gathered and the diversity of sources. Many operational aspects have to be defined through the Implementing Acts; however it is not possible to wait until the formal approval of the Implementing Acts, as the IT-system would not be ready on time. Consequently adjustments will be needed during the course of 2014 and requests for changes may be necessary.

Activity	Collection of trade, fundamental and other data, in connection with the REMIT implementing acts
Legal basis	Articles 7 and 8 of Reg. (EU) 1227/2011
Status	Delivery of Recommendations in 2012 and 2013. Awaiting Implementing Acts.
Targets and deadlines (indicative)	Data collection shall start 6 months after the implementing acts are adopted.
Performance indicators	Successful and timely data collection.
Staff	2.75 FTE

Risk assessment	Data collection will be extremely complex due to the huge amount of data to be gathered and the diversity of sources. Many operational aspects have to be defined through the implementing acts; however it is not possible to wait until the formal approval of the implementing acts, as the IT-system would not be ready on time. Consequently adjustments will be needed during the course of 2014 and requests for changes may be necessary.
-----------------	---

Activity	Establishment of appropriate mechanisms to access emission allowances data
Legal basis	Article 10(3) of Reg. (EU) 1227/2011
Status	In preparation.
Targets and deadlines (indicative)	Data collection shall start 6 months after the implementing acts are adopted.
Performance indicators	Successful and timely data collection.
Staff	0.25 FTE
Risk assessment	Emission allowances will have to be collected from the authorities responsible for overseeing trading in emissions allowances which still have to be defined under MiFID.

Activity	Monitoring of trading activity in wholesale energy markets to detect and prevent trading based on inside information and market manipulation, in cooperation with NRAs, on the basis of data collected in connection with the REMIT implementing acts
Legal basis	Article 7 and 8 of Reg. (EU) 1227/2011
Status	Monitoring methodologies under development. On-going review of notified cases.
Targets and deadlines (indicative)	Market Monitoring of the data collected according to Article 8 of Reg. (EU) 1227/2011 shall start 6 months after the Implementing Acts are adopted. At present, regional-based and product-based monitoring is envisaged.

Performance indicators	Increased integrity and transparency of wholesale energy markets. Detection of abusive practices.
Staff	14 FTE
Risk assessment	Quality of the monitoring depends on the quality of the data received. Limited resources for market monitoring in EU NRAs.

Activity	Sharing of data with NRAs and other authorities and dissemination of information on the basis of transparent rules for such dissemination
Legal basis	Articles 10 and 12 of Reg. (EU) 1227/2011
Status	In preparation.
Targets and deadlines (indicative)	Sharing and dissemination of information with the entry into effect of the Implementing Acts.
Performance indicators	Operational reliability.
Staff	2 FTE
Risk assessment	Delays in establishing protocols and common security standards with NRAs. Limited resources for market monitoring in EU NRAs.

Activity	Ensuring operational reliability and professional secrecy concerning the information received by the Agency, by taking all necessary measures to prevent misuse of, and unauthorised access to, the information received and maintained in the Agency's systems, by identifying sources of operational risk and by minimising them through the development of appropriate systems, controls and procedures
Legal basis	Article 12 of Reg. (EU) 1227/2011
Status	On-going

Targets and deadlines (indicative)	Operational Reliability Policy in place before data collection starts.
Performance indicators	Ensuring operational reliability.
Staff	1.5 FTE
Risk assessment	Risk of leakage of highly sensitive trade data if adequate security measures are not in place.

Activity	Coordination of NRAs, including at the regional level, without prejudice to their responsibilities, aiming to ensure that NRAs carry out their tasks under REMIT in a coordinated and consistent way, including the update of the Agency's guidance on the application of REMIT definitions and coordination of NRAs' investigation activities on cross-border market abuse instances
Legal basis	Article 16(1) of Reg. (EU) 1227/2011
Status	On-going
Targets and deadlines (indicative)	Fourth edition of ACER Guidance to be published during 2014 (indicatively Q3). Coordination of investigation of alleged cross-border market abuse instances as required.
Performance indicators	The timely adoption of ACER Guidance (4 th edition). Effective coordination of investigation of alleged cross-border market abuse instances.
Staff	3 FTE
Risk assessment	Risk of leakage of highly sensitive trade data if adequate security measures are not in place.

Activity	Promotion of best practices for the implementation of REMIT
Legal basis	Article 16(1) of Reg. (EU) 1227/2011
Status	On demand

Targets and deadlines (indicative)	To be initiated when necessary or appropriate.
Performance indicators	Timely delivery
Staff	1 FTE
Risk assessment	No appreciable risk.

Activity	Cooperation with ESMA, competent national financial market authorities and other authorities and with supervisory authorities, international organisations and the administrations of third countries
Legal basis	Article 1(3), 10, 16 of Reg. (EU) 1227/2011
Status	On-going
Targets and deadlines (indicative)	Good cooperation practices with relevant authorities.
Performance indicators	Memorandum of Understanding concluded with relevant authorities.
Staff	1 FTE
Risk assessment	Risk of leakage of highly sensitive trade data if adequate security measures are not in place.

Activity	Contributions to potential reviews of REMIT, in particular according to Article 6 of REMIT, in view of potential needs to align REMIT definitions with new relevant Union legislation in the fields of financial services and energy, or in view of new developments on wholesale energy markets or of REMIT implementing acts
Legal basis	Article 7(3) of Reg. (EU) 1227/2011
Status	On-going

Targets and deadlines (indicative)	To be initiated when necessary or appropriate.
Performance indicators	Timely contributions to the European Commission.
Staff	0.5 FTE
Risk assessment	No appreciable risk.

Deliverable	Annual Report on the Agency activities under REMIT
Legal basis	Article 7(3) of Reg. (EU) 1227/2011
Status	The Agency shall submit at least on an annual basis a Report to the Commission in which the Agency shall assess the operation and transparency of different categories of market places and ways of trading and may make recommendations to the Commission as regards market rules, standards, and procedures which could improve market integrity and the functioning of the internal market. It may also evaluate whether any minimum requirements for organised markets could contribute to enhanced market transparency.
Targets and deadlines (indicative)	Expected submission of the 2 nd Annual Report of REMIT: Q3/Q4 2014.
Performance indicators	Timely submission of the Annual Report on REMIT implementation and of the above referred public consultations.
Staff	1 FTE
Risk assessment	No appreciable risk.

ANNEX 1: LIST OF ABBREVIATIONS

Abbreviation	Meaning
The Agency	Agency for the Cooperation of Energy Regulators
AB	Administrative Board
AMITWG	ACER Monitoring, Integrity and Transparency Working Group
AWG	Agency Working Group
BoA	Board of Appeal
BoR	Board of Regulators
CBA	Cost Benefit Analysis
CEER	Council of European Energy Regulators
CMP	Congestion Management Procedures
Dir	Directive
EC	European Commission
EFETnet	Software for automating energy trading of the European Federation of Energy Traders
ENTSO-E	European Network of Transmission System Operators for Electricity
ENTSOG	European Network of Transmission System Operators for Gas
EP	European Parliament
ERGEG	European Regulators' Group for Electricity and Gas
ERI	Electricity Regional Initiative
ESMA	European Securities and Markets Authority

FERC	Federal Energy Regulatory Commission
FTE	Full Time Equivalent
GRI	Gas Regional Initiative
HVDC	High Voltage Direct Current
IEM	Internal Energy Market
MiFID	Markets in Financial Instruments Directive
MMR	Market Monitoring Report
MoU	Memorandum of Understanding
MS	Member State
MSP	Multi-annual Staff Policy Plan
NDP	Network Development Plan
NRA	National Regulatory Authority
PCI	Project of Common Interest
Reg	Regulation
REMIT	Regulation for Energy Market Integrity and Transparency
SNE	Seconded National Expert
TEN-E	Trans-European Energy Network
TF	Task Force
TSO	Transmission System Operator
TYNDP	Ten Year Network Development Plan

ANNEX 2: INDICATIVE PROCUREMENT PLAN FOR OPERATIONAL ACTIVITIES FOR 2014

Activity	Estimated value in Eur ¹⁸	Tentative number of contracts ¹⁹	Tentative timeframe ²⁰
Web application development, software maintenance and remote support to stakeholder services	360,000	1	Q1-Q3
IT infrastructure hosting services	360,000	2	Q1-Q3
IT consultancy services for the implementation of the Agency's REMIT Information System (ARIS)	210,000	2	Q1-Q3
Market monitoring system for the Agency's REMIT information system (ARIS)	570,000	1	Q2-Q3
Legal, economic and technical assistance work in the field of energy regulation	500,000	4	Q1-Q3
Catering for Agency's events	60,000	3	Q1-Q4
Conference facilities for Agency's events	60,000	3	Q1-Q4
Provision of legal services for the Board of Appeal	35,000	1	Q1-Q2
Technical assistance for the Agency's website set-up and maintenance	60,000	1	Q1-Q3
Provision of publications and information material	71,000	2	Q2-Q4
Provision of design and printing services for the Agency's reports	30,000	2	Q1-Q4
TOTAL PLANNED PROCUREMENT 2014	2,316,000	22	

¹⁸ Estimated commitments 2014.

¹⁹ Framework contracts, specific contracts, direct contracts, amendments or agreements, as appropriate. Order forms throughout the year are counted as one contract.

²⁰ Tentative timeframe for launching new procurement procedure or for signing specific contracts/order forms under the existing framework contracts.

ANNEX 3: OVERVIEW OF THE TASKS AND RESPONSIBILITIES ASSIGNED TO THE AGENCY AND THEIR LEGAL BASES

This Annex presents an overview of the tasks and responsibilities assigned to the Agency together with their respective legal bases.

A - Tasks assigned by the Third Package		
Agency's task	Type of action	Legal basis
Tasks regarding ENTSOs		
1. Provide an opinion to the Commission on draft statutes, list of members and draft rules of procedure of ENTSOs.	Opinion	Article 6(1) Reg 713/2009; Article 5(2) Reg 714/2009, and Article 5(2) Reg 715/2009
2. Monitor the execution of ENTSOs tasks.	Monitoring	Article 6(2) Reg 713/2009; Article 9 Reg 714/2009, and Article 9 Reg 715/2009
3. Provide an opinion to ENTSOs on the draft annual work programme, the draft Community-wide network development plan and other relevant documents (e.g. annual summer and winter supply outlooks).	Opinion	Article 6(3)(b) Reg 713/2009; Article 9(2) Reg 714/2009; Article 9(2) Reg 715/2009
4. Provide, based on matter of facts, a duly reasoned opinion as well as recommendations to ENTSOs, the Commission, the European Parliament and the Council where it considers that the draft annual work programme or the draft Community-	Reasoned opinion Recommendation	Article 6(4) Reg 713/2009; Article 9(2) Reg 714/2009; Article 9(2) Reg 715/2009

wide network development plan do not comply with the objectives or the relevant provisions of the Third Package.		
5. Monitor the implementation of Community-wide NDPs, investigate the reasons for inconsistencies between Community NDPs, and their implementation and make recommendations to TSOs, NRAs or other competent bodies.	Monitoring Recommendation	Article 6(8) Reg 713/2009
6. Provide opinions to NRAs – at NRAs' request - and recommendations to ENTSOs or NRAs to ensure consistency of national 10yr-network development plans with the Community-wide 10yr-network development plans.	Monitoring Opinion Recommendation	Article 8(11) Reg 714/2009; Article 8(11) Reg 715/2009; Article 22(5) Dir 2009/72; Article 22(5) Dir 2009/73
7. Provide an opinion to ENTSOs on network codes not relating to areas covered by a request addressed to the ENTSOs by the Commission.	Opinion	Article 6(3)(a) Reg 713/2009; Article 8(2) Reg 714/2009; Article 8(2) Reg 715/2009
8. Participate in the development of network codes relating to areas covered by a request addressed to the ENTSOs by the Commission.	Consultation	Article 6(4) Reg 713/2009; Article 6 Reg 714/2009 Article 6 Reg 715/2009
9. Submit non-binding framework guidelines to the Commission, carry out consultation on draft framework guidelines; if necessary, review the framework guidelines and re-submit them to the Commission.	Drafting Consultation	Article 6(4) Reg 713/2009; Article 6(2) to (4) Reg 714/2009; Article 6 (2) to (4) Reg 715/2009
10. Provide a reasoned	Reasoned opinion	Article 6(4) Reg 713/2009;

opinion to ENTSOs on network codes developed on the basis of framework guidelines.		Article 6(7) Reg 714/2009; Article 6(7) Reg 715/2009
11. Submit network codes developed by ENTSOs on the basis of framework guidelines to the Commission and recommend that they be adopted.	Recommendation	Article 6(4) Reg 713/2009; Article 6(9) Reg 714/2009; Article 6(9) Reg 715/2009
12. Prepare and submit draft network codes to the Commission, at the request of the Commission and where the ENTSO failed to develop a network code upon a Commission's request.	Drafting Recommendation	Article 6(4) Reg 713/2009; Article 6(10) Reg 714/2009; Article 6(10) Reg 715/2009
13. Propose amendments to network codes.	Reasoned proposal Consultation	Article 7(1) and (2) Reg 714/2009; Article 7(1) and (2) Reg 715/2009
14. Provide duly reasoned opinion to the Commission, where ENTSOs have failed to implement a non-binding network code.	Reasoned opinion	Article 6(5) Reg 713/2009; Article 8(2) Reg 714/2009; Article 8(2) Reg 715/2009
15. Monitor and analyse the implementation of binding network codes and Guidelines, and report to the Commission.	Monitoring Reporting	Article 6(6) Reg 713/2009
16. Monitor progress as regards the implementation of projects to create new interconnector capacity.	Monitoring	Article 6(7) Reg 713/2009

<p>17. Monitor regional cooperation of TSOs; take due account of the outcome when formulating its opinions, recommendations and decisions.</p>	<p>Monitoring</p>	<p>Article 6(9) Reg 713/2009; Article 12 Reg 714/2009 Article 12 Reg 715/2009</p>
Tasks regarding NRAs		
<p>18. Provide a framework for NRAs' cooperation. Promote cooperation between NRAs and TSOs at regional and EU level. Make recommendations on binding rules for cooperation to the Commission.</p>	<p>Cooperation Recommendation</p>	<p>Article 7(3) Reg 713/2009; Article 6(2) Dir 2009/72 Article 7(2) Dir 2009/73</p>
<p>19. Adopt individual decisions on technical issues as provided for in the Third Package.</p>	<p>Decision</p>	<p>Article 7(1) Reg 713/2009</p>
<p>20. Provide recommendations on the harmonisation of technical rules.</p>	<p>Recommendation</p>	<p>Article 5 Dir 2009/72; Article 8 Dir 2009/73</p>
<p>21. Provide recommendations to assist NRAs and market players in sharing good practices.</p>	<p>Recommendation</p>	<p>Article 7(2) Reg 713/2009</p>
<p>22. Provide an opinion on whether a NRA decision complies with Guidelines or other relevant provisions of the Third Package and inform the Commission and the MS concerned where the NRA does not comply with the opinion of the Agency.</p>	<p>Opinion</p>	<p>Article 7((4) and (5) Reg 713/2009; Article 39 Dir 2009/72; Article 43 Dir 2009/73</p>
<p>23. Deliver an opinion when an NRA encounters, in a specific case, difficulties</p>	<p>Opinion</p>	<p>Article 7(6) Reg 713/2009</p>

with the application of Guidelines.		
24. Provide an opinion on decisions of NRAs on TSO certification. At the request of the Commission, express its views on the certification of third countries TSOs.	Opinion	Article 9(2) Reg 713/2009; Article 3(1) Reg 714/2009; Article 3(1) Reg 715/2009; Article 11(6) Dir 2009/72; Article 11(6) Dir 2009/73
Tasks regarding terms and conditions for access to and operational security of cross-border infrastructure		
25. Decisions on cross-border infrastructure, including exemption decisions for new interconnectors and new gas infrastructures.	Decision	Article 7(7) and Articles 8 and 9 Reg 713/2009; Article 17(5) Reg 714/2009; Article 36 (4) Dir 2009/73
Monitoring and reporting on the electricity and natural gas sectors		
26. Monitor the internal markets in electricity and natural gas.	Monitoring	Article 11(1) Reg 713/2009
27. Produce a public annual report on the results of monitoring and, at the same time, submit an opinion to the European Parliament and to the Commission on the measures that could be taken to remove barriers to the completion of the internal markets in electricity and natural gas.	Publication of monitoring results Opinion	Article 11(2) and (3) Reg 713/2009
Consultations and transparency		
28. Consult with market participants, TSOs, consumers, end-users, competition authorities.	Consultation	Article 10(1) and (3) Reg 713/2009
29. Provide objective, reliable and easily accessible information to the public and interested parties.	Information	Article 10(2) Reg 713/2009
30. Make public agenda,	Publication	Article 10(4) Reg 713/2009

background documents and minutes of meetings of AB, BoR and BoA.		
Other tasks		
31. Approve compliance programmes of joint undertakings.	Approval	Article 6(4) Dir 2009/72; Article 7(4) Dir 2009/73
32. Respond to consultation on Guidelines.	Opinion	Article 18(3) Reg 714/2009; Article 23(1) Reg 715/2009
33. Provide opinions or recommendations on any of the issues relating to the purpose for which it has been established, upon a request of the European Parliament, the Council or the Commission, or on its own initiative.	Opinion Recommendation	Article 5 Reg 713/2009
34. Provide secretarial services to the Administrative Board.	Support	Article 12(3) Reg 713/2009
35. Provide secretarial services to the Board of Regulators.	Support	Article 14(5) Reg 713/2009

B - Tasks assigned by the ITC Regulation		
Agency's task	Type of action	Legal basis
ITC Mechanism		
1. Oversee the implementation of the Inter-Transmission System Operator Compensation ('ITC') Mechanism.	Monitoring	Point 1.4 Guidelines on the ITC Mechanism – Annex to Reg 838/2010 – Part A
2. Report to the Commission on the implementation of the ITC mechanism and the management of the ITC fund.	Reporting	Point 1.4 Guidelines on the ITC Mechanism – Annex to Reg 838/2010 – Part A
3. Provide an opinion on multi-party agreements' recommendations on adjustment to total compensation for the compensation for making infrastructure available to host cross-border flows of electricity.	Opinion	Point 3.3 Guidelines on the ITC Mechanism – Annex to Reg 838/2010 – Part A
4. Provide a response to the Commission's consultation on the opinion on multi-party agreements relating to the compensation for the costs of hosting cross-border flows of electricity between transmission system operators participating in the ITC mechanism and those transmission system operators from third countries.	Response to consultation	Point 3.6 Guidelines on the ITC Mechanism – Annex to Reg 838/2010 – Part A
5. Make a proposal to the Commission on the annual cross-border infrastructure compensation sum and provide an opinion to the Commission as to the suitability of using long run average incremental costs for the assessment of the costs of making infrastructure available for hosting cross-	Proposal Opinion	Points 5.1, 5.3, and 5.5 Guidelines on the ITC Mechanism – Annex to Reg 838/2010 – Part A

border flows.		
6. Provide an opinion to the Commission in case of disagreement on the proposal on the annual cross-border infrastructure compensation sum.	Opinion	Point 5.1 Guidelines on the ITC Mechanism – Annex to Reg 838/2010 – Part A
Transmission Charging		
7. Monitor the appropriateness of the ranges of allowable transmission charges.	Monitoring	Point 4. Guidelines for A Common Regulatory Approach to Transmission Charging - Annex to Reg 838/2010 – Part B
8. Provide an opinion to the Commission as to the appropriate range or ranges of transmission charges for the period after 1 January 2015.	Opinion	Point 5. Guidelines for A Common Regulatory Approach to Transmission Charging - Annex to Reg 838/2010 – Part B

C - Tasks assigned by the SoS Regulation

Agency's task	Type of action	Legal basis
1. Participate in the Gas Coordination Group established to facilitate the coordination of measures concerning security of gas supply.	Membership	Article 12(1) Reg 994/2010

D - Tasks assigned by REMIT

Agency's task	Type of action	Legal basis
Monitoring, data collection, and registration		
1. Monitor, in close collaboration with NRAs and other relevant authorities,	Monitoring	Article 7(1) Reg 1227/2011

trading activity in wholesale energy products to detect and prevent trading based on inside information and market manipulation.		
2. Collect the data for assessing and monitoring wholesale energy markets.	Data collection	Articles 3(4)(b), 4(2), 7(1), 8, 10(3), 16(2) and (3) Reg 1227/2011
3. Establish a European Register of market participants.	Data collection	Article 9(3) Reg 1227/2011
Reporting and recommendations		
4. Report to the Commission on its activities under the Regulation.	Reporting	Article 7(3) Reg 1227/2011
5. Make recommendations to the Commission as regards market rules, standards, and procedures which could improve market integrity and the functioning of the internal market.	Recommendation	Article 7(3) Reg 1227/2011
6. Make recommendations to the Commission as to the records of transactions, including orders to trade, which it considers are necessary to effectively and efficiently monitor wholesale energy markets.	Recommendation	Article 7(3) Reg 1227/2011
Cooperation at Union and national level		
7. Cooperate with NRAs, ESMA, national financial market authorities and national competition authorities.	Cooperation	Article 1(3) Reg 1227/2011
8. Ensure that NRAs carry out their tasks under the Regulation in a coordinated and consistent manner.	Coordination	Article 16 Reg 1227/2011
9. Publish non-binding guidance on the application of the definitions set out in	Guidance	Article 16(1) Reg 1227/2011

Article 2 of the Regulation.		
10. Establish a mechanism to share information on trading activities in wholesale energy products with NRAs, competent financial authorities of the Member States, national competition authorities, ESMA and other relevant authorities.	Guidance Cooperation	Article 10(1) Reg 1227/2011
11. Cooperate with the authorities responsible for overseeing trading in emissions allowances or derivatives relating to emissions allowances and establish mechanisms to share information on records of transactions in such allowances and derivatives.	Cooperation	Article 10(3) Reg 1227/2011
12. Inform ESMA and the competent financial authority, on its own initiative or at NRAs' request, where it suspects that acts are being or have been carried out which constitute market abuse.	Information	Article 16(2) and (3)(b) and (d) Reg 1227/2011
13. Request, on its own initiative or at NRAs' request, one or more national regulatory authorities to supply any information related to a suspected breach of the Regulation.	Information	Article 16(2) and (4)(a) Reg 1227/2011
14. Request, on its own initiative or at NRAs' request, one or more national regulatory authorities to commence an investigation and to take appropriate action where it suspects that there has been a breach of the Regulation.	Guidance	Article 16(2) and (4)(b) Reg 1227/2011
15. Establish and coordinate, on its own initiative or at NRAs' request, an investigatory	Coordination	Article 16(2) and (4)(c) Reg 1227/2011

group where it suspects that there has been a breach of the Regulation and it considers that the possible breach has, or has had, a cross-border impact.		
International relations		
16. Develop contacts and enter into administrative arrangements with third country authorities in so far as is necessary to achieve the objectives set out in the Regulation, in particular, to promote the harmonisation of the regulatory framework.	Cooperation	Article 19 Reg 1227/2011
Consultations and transparency		
17. Publish the Report to the Commission on its activities under the Regulation.	Publication	Article 7(3) Reg 1227/2011
18. Consult with interested parties before making recommendations to the Commission as to the records of transactions.	Consultation	Article 7(3) Reg 1227/2011
19. Consult with the interested authorities before establishing the mechanisms to share information on trading activity in wholesale energy products with them.	Consultation	Article 10(1) Reg 1227/2011
20. Make all recommendations available to the European Parliament, the Council and the Commission and to the public.	Disclosure	Article 7(3) Reg 1227/2011
21. Make the European register, or extracts thereof, as well as part of the information which it possesses publicly available provided that commercially sensitive information on individual market participants is not	Disclosure	Articles 9(3) and 12 (2) Reg 1227/2011

disclosed and subject to confidentiality requirements.		
22. Adopt and publish transparent rules on the manner it will disseminate information.	Adoption Publication	Article 12(2) Reg 1227/2011

E - Tasks assigned by the TEN-E Regulation

Agency's task	Type of action	Legal basis
Monitoring and recommendation		
1. Monitor the progress achieved in implementing the projects of common interest and make recommendations to facilitate the implementation of projects of common interest.	Monitoring Recommendation	Article 5(3) Reg 347/2013
2. Submit to the Groups a consolidated report for the projects of common interest, evaluating the progress achieved and make, where appropriate, recommendations on how to overcome the delays and difficulties encountered.	Reporting Recommendations	Article 5 (5) Reg 347/2013, Article 6 (8) and (9) Reg 713/2009
3. Provide an opinion to Member States and the Commission on the methodologies submitted by ENTSOs and publish it.	Opinion Publication	Article 11(2) Reg 1347/2013
4. Request of relevant network, load flow and market data and relevant confidentiality agreements.	Request	Article 11(5) Reg 1347/2013

<p>5. Request, on its own initiative or upon a duly reasoned request by NRAs or stakeholders, and after formally consulting the organisations representing all relevant stakeholders and the Commission, of updates and improvements of methodologies; publication of the requests by NRAs or stakeholders and of all relevant non-commercially sensitive documents.</p>	<p>Request, Consultation Publication</p>	<p>Article 11(6) Reg 1347/2013</p>
<p>6. Decision on investments requests, including cross-border cost allocation in case of disagreement among NRAs concerned or on their joint request; consultation of NRAs concerned and of project promoters; publication.</p>	<p>Decision Consultation Publication</p>	<p>Article 12 (6) Reg 1347/2013</p>
<p>7. Notification to the Commission of all cost allocation decisions, together with all the relevant information.</p>	<p>Notification</p>	<p>Article 12 (7) Reg 1347/2013</p>
<p>8. Facilitate the sharing of good practices and make recommendations regarding: (a) the appropriate incentives to be granted to some project of common interest; (b) a common methodology to evaluate the incurred higher risks of investments in electricity and gas infrastructure.</p>	<p>Cooperation Recommendation</p>	<p>Article 13 (5) Reg 1347/2013 and Article 7(2) Reg 713/2009</p>
<p>9. Opinion on the common network operation tools adopted by the ENTSOs.</p>	<p>Opinion</p>	<p>Article 8 (3) Reg 714/2009</p>

<p>10. Ensure exchange of information between Groups.</p>	<p>Information</p>	<p>Annex III (1)</p>
<p>11. Where necessary, check the consistent application of the criteria/cost-benefit analysis methodology and evaluate their cross-border relevance for proposed projects falling under the categories set out in Annex II.1 and 2 of Regulation 1347/2013.</p>	<p>Analysis</p>	<p>Annex III (2)</p>
<p>12. Opinion on the draft regional list of proposed projects falling under the categories set out in Annex II.1 and 2 drawn up by the Groups.</p>	<p>Opinion</p>	<p>Annex III (2) and Article 15(1) Reg 713/2009</p>



Publishing date: 01/10/2013

Document title: ACER Work Programme 2014

We appreciate your feedback



Please click on the icon to take a 5' online survey and provide your feedback about this document

Share this document

