



Towards sustainable European energy markets

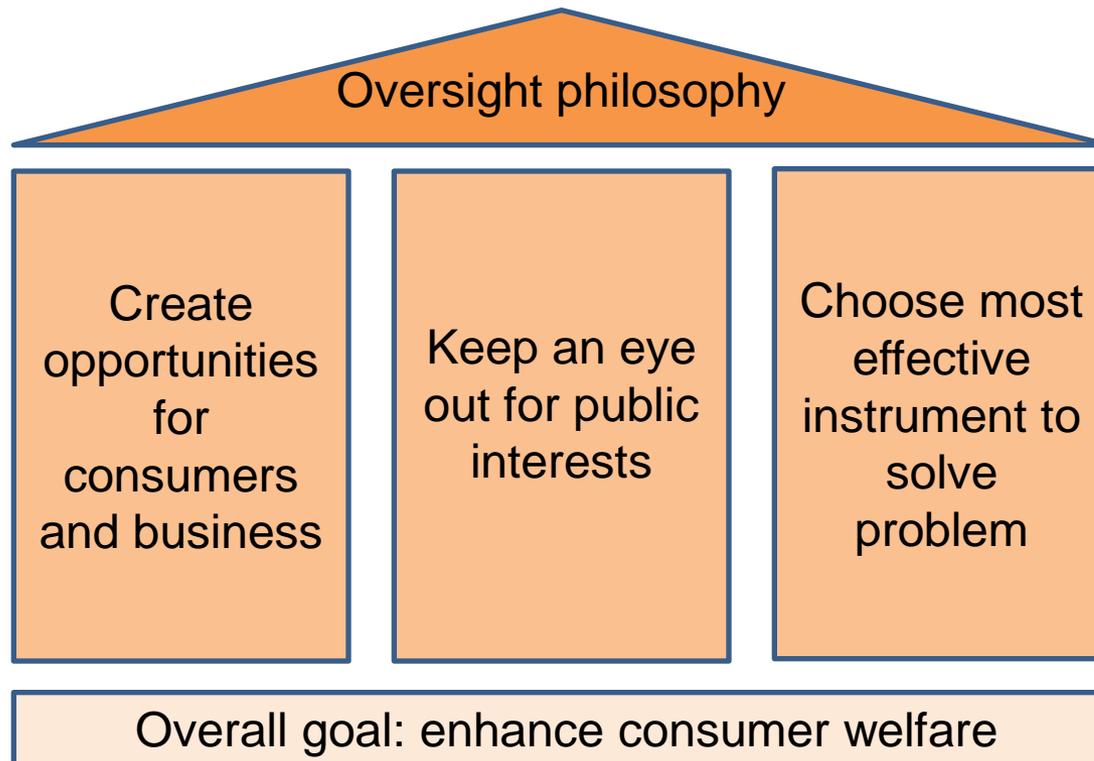
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Consumer is at the core ACM's activities

- ACM oversight philosophy





Empowering customers delivers real benefits

- 2014 campaign “you snooze, you lose” was highly effective

In Europe, Dutch consumers are among the most willing to switch energy providers

The Hague – In 2014, 13 percent of Dutch consumers switched energy providers, making the Netherlands one of the leading nations in Europe. On average 6% of European households switched energy provider in 2014.



European Commission has developed strategy for a resilient Energy Union with an ambitious climate policy

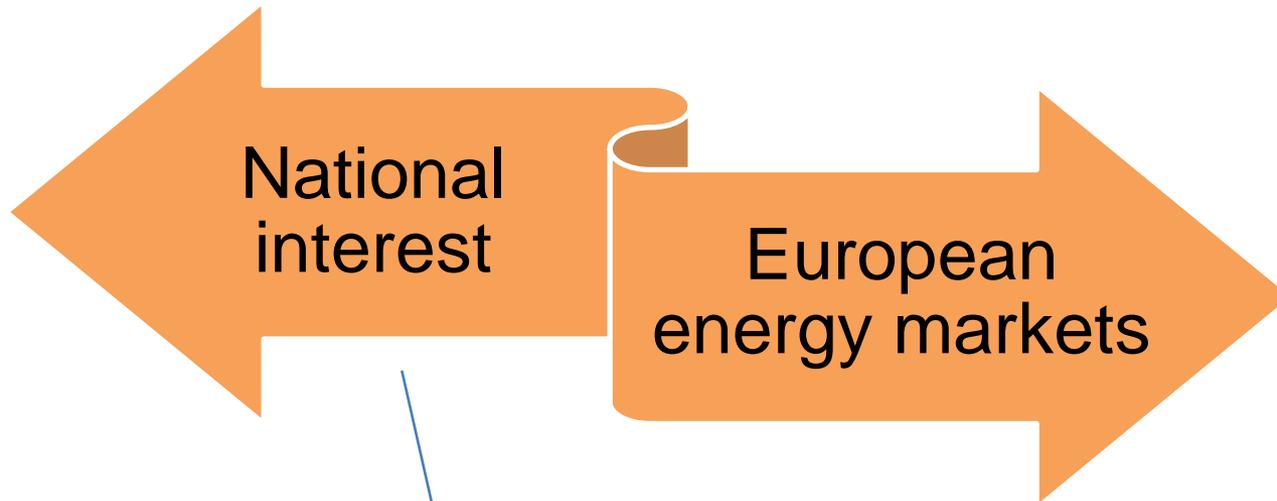
- Energy Union to bring greater energy security, **sustainability** and competitiveness

Pillars of Energy Union

- 1. Energy security, solidarity and trust**
 - Working together on SoS
- 2. Fully integrated European energy market**
 - Connecting markets (interconnection)
 - Implementing and upgrading legislation
- 3. Energy efficiency (moderation of demand)**
- 4. Decarbonising the economy**
- 5. Research, Innovation and Competitiveness**

Delivering the Energy Union requires commitment of all actors, a steady course and European mindset

- Delivering the Energy Union will likely be challenging

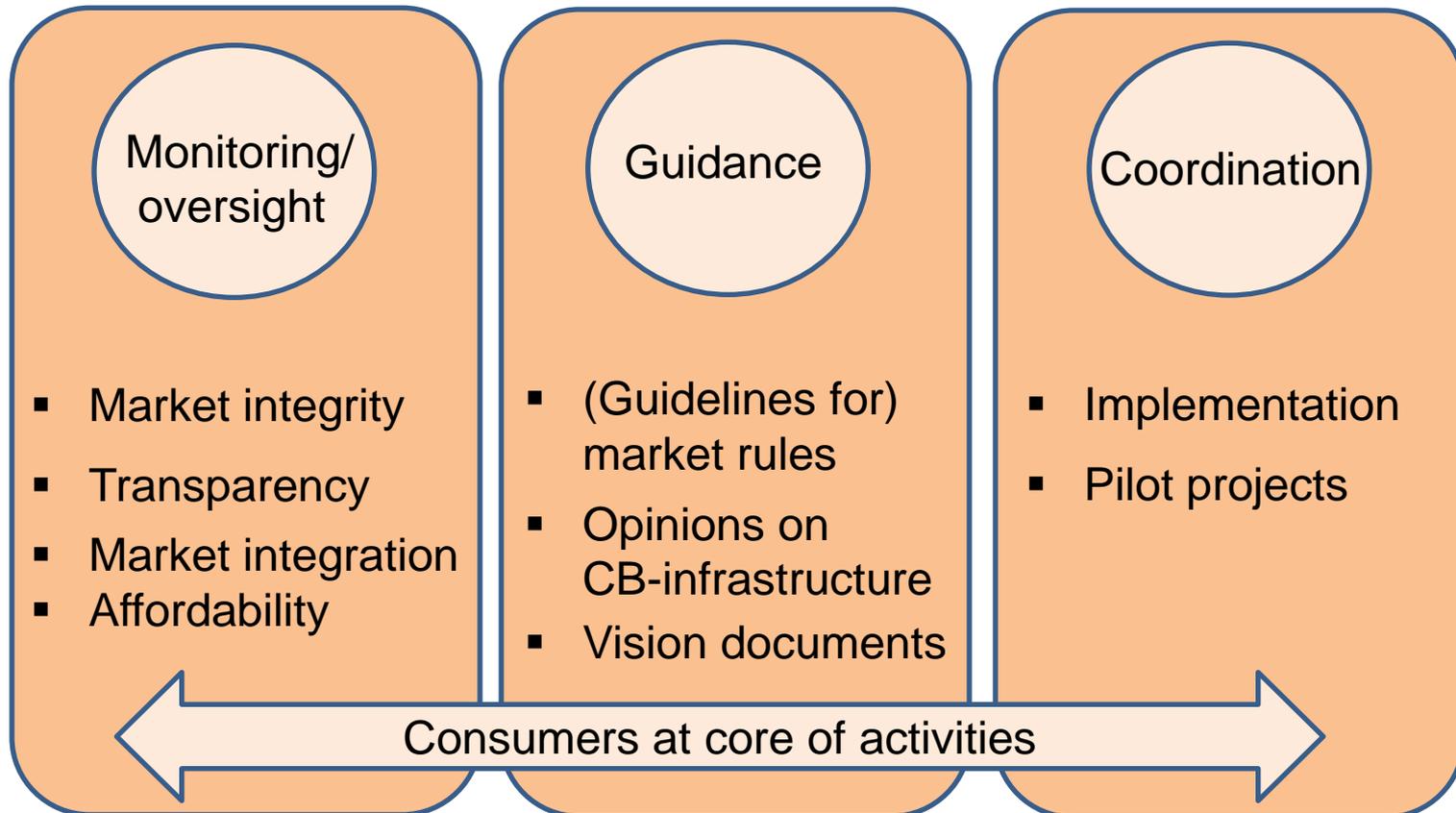


Some examples:

- Introduction subsidy schemes
- Introduction capacity mechanisms
- National interests driving discussions

European energy regulators play an important role in fulfilling many of the pillars of the Energy Union

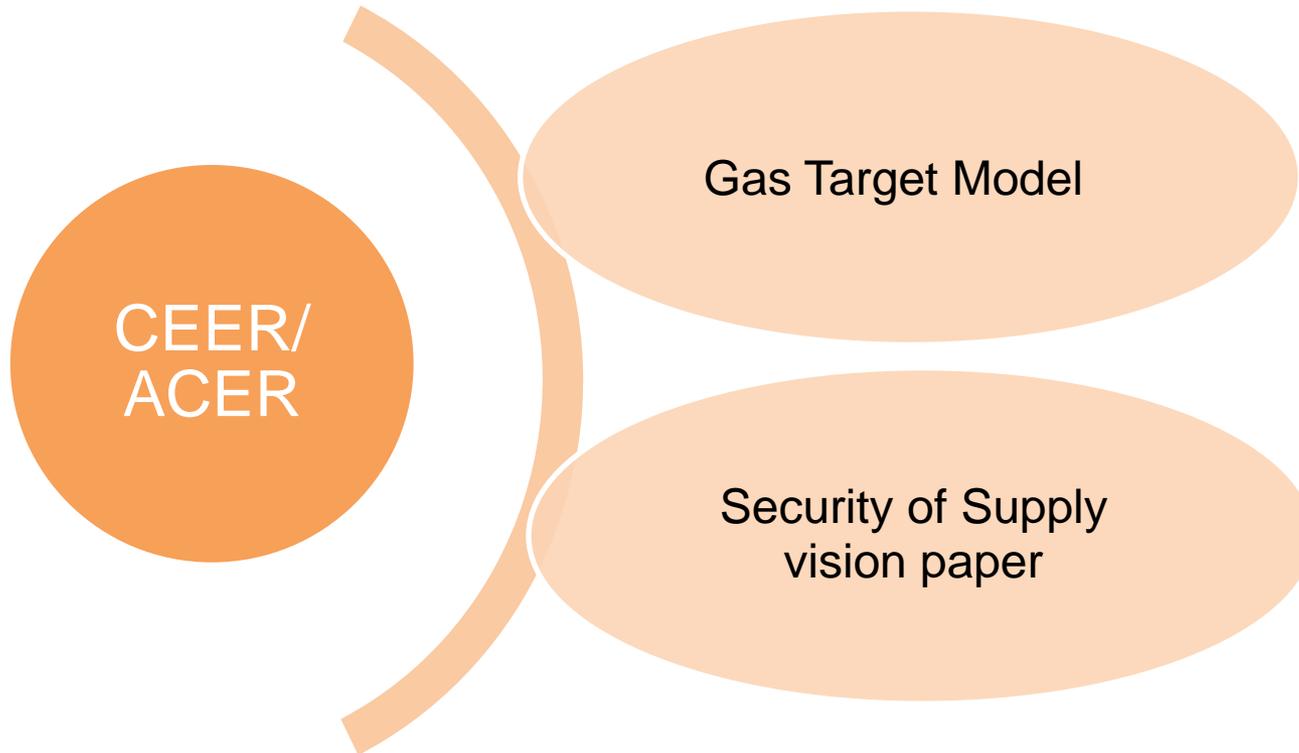
- Cooperation at the European level (through ACER and CEER) is essential





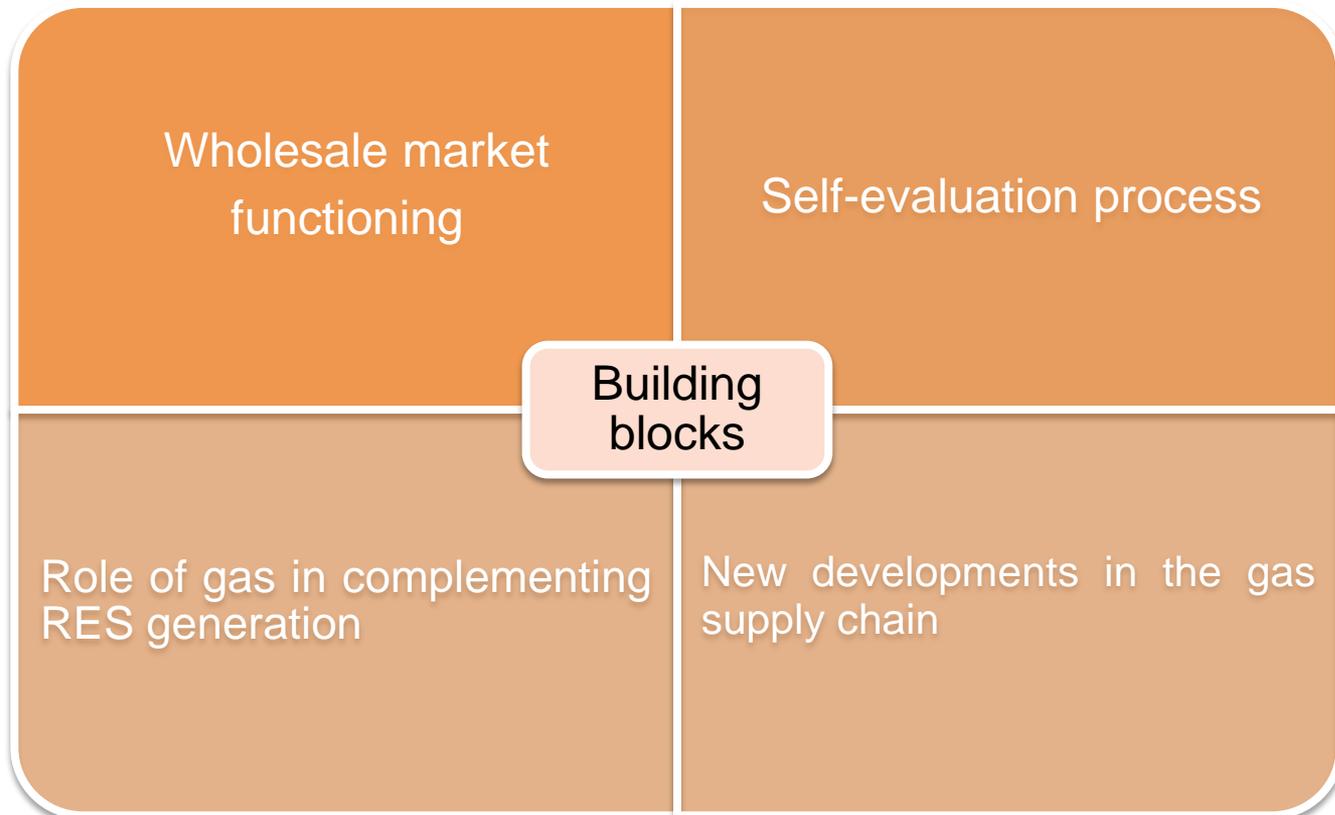
Gas is at the heart of the European energy mix and can act as transition fuel in creating a sustainable market

- European Energy regulators have developed a vision on two important issues in relation to the possible revision of SoS regulation for gas



Gas Target Model: new mind set for regulatory approach when looking forward to the next decade

- Implementation 3rd energy package and netcodes is considered key step





European energy regulators consider completed internal energy market crucial framework for Security of Supply

- Ensuring Security of Supply should be market based as where possible

General approach

- Market (based instruments) to guarantee SoS
- Non-market based measures only when necessary

What is necessary

- SoS objectives transparent and clear for market
- Clear incentive for market to fulfil responsibility

Regional cooperation

- Close cooperation between countries is needed
- Upfront clarity on cross-border impact is important



Disruptive developments can impact energy security, sustainability and competitiveness: the Dutch case

- Developments concerning the Groningen gas field raise several challenges

(Recent) developments

- Production of Groningenfield is deminishing (+/- 2020: in decline)
- Need for alternative heating source for households
- Groningenfield production causes earthquakes in vicinity of the field
- Strong voice (locals and politicians) to reduce Groningen gas production

General issues

Technical: how much reduction possible without jeopardizing SoS

Political: should gas remain the source for cooking and heating

Safety: risks on earthquakes should be minimised

NRA attention

Alternative depreciation periods?

Who pays for new investments?

What is impact on market liquidity?



Summary of key messages

1. CEER reconfirms the importance of a well-functioning internal energy market and highlights the importance of liquid spot and forward markets;
2. CEER believes security of supply measures should be market based and highlights the importance of regional coordination;
3. Monitoring of energy markets puts NRA's in a good position to advice in periods of transition;
4. Our focus on delivering value to consumers helps to develop cost effective policies that deliver real value for consumers and businesses.



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