

## EDITORIAL

Next February 2010 new Commission will be in place. Current DG-TREN will be split into two different Directorates, Transport and Energy. The German Mr. Günther Öttinger will be the new Energy Commissioner. Energy Policy will be focussed among other issues on the achievement of 20-20-20 targets for which Energy Efficiency Action Plan and deployment of Smart Grids and Smart Metering are essential, security of supply and the implementation of Third Energy Package with special attention to the development of framework guidelines and Network Codes and the role of Regional Initiatives will also play a key role.

Carmen Gimeno / GEODE Coordinator

## EUROPE

### SPANISH PRESIDENCY OF EU. ENERGY AGENDA

Main topics on the Energy Agenda of the Spanish Presidency of EU:

- Final adoption of three packages of measures on energy efficiency: the proposed directives on the energy performance of buildings, energy labelling and tyre labelling for fuel efficiency.
- Regulation on security of gas supply and regulation on energy investment reporting.
- Review of the Action Plan 'Energy Policy for Europe' to be given at the 2010 Spring European Council. This should set the framework for EU energy policy. The plan should intensify action to promote renewable energy, energy efficiency of buildings, energy infrastructure, as well as eco-friendly means of transport and products.
- How to mobilize information communication technologies to facilitate an energy-efficient and low-carbon economy.

### COUNCIL AND PARLIAMENT REACH A FIRST-READING AGREEMENT ON THE NEW ENERGY EFFICIENCY DIRECTIVE ON BUILDING AND LABELLING

An agreement has been reached on Buildings Directive and relevant changes are:

- All new buildings in the EU will have to be "nearly zero energy" by 2020 and for buildings occupied by public authorities by 2018. Member States must draw up national plans to cover their building energetic needs with "renewable sources, including renewable energy produced on-site or nearby";
- The public sector must assume a leading role: public buildings with a total floor area over 500m<sup>2</sup> and frequently visited by the public will have to display energy performance certificates visibly. In five years, this threshold will be lowered to 250 m<sup>2</sup>;
- Member States have to progressively bring building codes into line with the requirement that new buildings or major renovations achieve a "cost-optimal level";

Source: *Claeys & Casteels Newsletter – 14th December 2009*

### COPENHAGEN CLIMATE AGREEMENT AND ITS CONSEQUENCES ON EU ENERGY POLICY

Almost all countries were able to sign up to the understanding reached at Copenhagen Climate Conference, although some less developed countries, led by Sudan, declined to do so on the grounds that it was insufficiently far-reaching and ambitious. The Conference "took note" of the Agreement as follows:

- Agreement of the objective of limiting warming to 2°C above pre-industrial levels
- Agreement that specific reduction targets were necessary for developed countries and that "mitigation action" was needed for developing countries. That the targets that the countries were willing to commit that are not legally binding would be provided to the UN Conference on February 1 of 2010.
- Agreement that developed countries would need to provide finance to developing countries, starting at US\$ 30 billion for 2010-2012 and longer

term finance of US\$ 100 billion yearly in 2020, both to be focused on the least developed countries.

- Agreement on a revision of the agreement by 2015.

Clearly this is a disappointment for the EU since it has already committed by a 20% reduction by 2020, and had signalled a willingness to move to 30% if an effective international agreement could be reached. Europe will have to decide which energy or emissions trading measures to introduce in order to ensure that whichever target it accepts will be complied with. Equally, the EU will have to decide how to raise and spend the 10bn Euros it has promised the least developed countries over the next three years.

Source: *Claeys & Casteels Newsletter – 22<sup>nd</sup> December 2009*

### COMMISSION PROPOSAL ON GAS TRANSPARENCY

The Commission's proposal sets new guidelines for transparency on gas markets, especially with regard to timely information on capacity details, risks of interruption, gas quality, secondary markets and line-pack [gas needed in the pipeline to maintain pressure]. The new transparency proposal would amend chapter three of the current guidelines attached to Regulation 1775/2005. The Commission's proposal is based on an initiative by stakeholders at the Madrid Gas Forum also bringing together gas traders, major users, producers and transmission system operators. These had requested, together with European energy regulators that a list of minimum transparency requirements be made binding, and the Commission accepted.

Source: *EUROPOLITICS – 22<sup>nd</sup> December 2009*

### ENTSOG PUBLISHES FIRST EUROPEAN TEN YEAR NETWORK DEVELOPMENT PLAN FOR GAS

The 23<sup>th</sup> of December 2009 ENTSOG published its first European Ten Year Network Development Plan 2010-2019 (TYNDP) for gas transmission systems. It includes supply, demand and capacity development from the perspective of European gas TSOs. Main results are:

- ENTSOG European gas demand scenarios show an increase by 14% on the annual level and by 12% on the peak day.
- ENTSOG potential gas supply scenarios show an increase of 8% on the annual level and of 17% on the peak day. They include capacity increases of projects for which the final investment decision has been taken as well as mature projects and take into account the decline of European indigenous production.
- While the European aggregate annual and peak day potential supply scenarios are larger than the demand scenarios, a European peak day analysis taking inner-European cross-border capacities into account shows capacity shortfalls in the region Denmark/Sweden and some countries in South-East Europe. Investment projects or revised demand forecasts in the light of the economic downturn are expected to remedy this situation.

## SUMMARY

### EDITORIAL

#### EUROPE

- Spanish Presidency of EU. Energy Agenda
- Council and Parliament reach a first-reading agreement on the new energy efficiency directive on building and labelling.
- Copenhagen Climate Agreement and its consequences on EU energy Policy.
- Commission Proposal on gas transparency.
- ENTSOG publishes first European TYNDP for Gas
- EC Electricity Regulatory Forum
- EC Gas Regulatory Forum
- ERGEG latest publications

#### A ZOOM ON

- GEODE Workshop and Position Paper on Smart Metering



## ●●● EC ELECTRICITY REGULATORY FORUM

The European Electricity Regulatory Forum took place in Rome on the 10<sup>th</sup> & 11<sup>th</sup> December 2009. It was attended by representatives of the European Commission, Ergeg, Member States, and stakeholders. Main topics discussed were:

- Regional Initiatives: Draft Final Study on future role Regional Initiatives conducted by EC was presented. Stakeholders are invited to submit comments by 31<sup>st</sup> of January 2010. Commission will adopt a Communication on the Regional Initiatives by June 2010.
- Interregional coordination of congestion management: The Forum supported the creation of an Ad Hoc Advisory Group (AHAG) of all stakeholders to assist ERGEG on the preparation of framework guidelines for capacity allocation and congestion management.
- 10 year network development plan: The Forum welcomed ERGEG and ENTSO-E presentation on preparations of 10yNDP, expected to be submitted to official consultation in March 2010 and finally release in June 2010.
- Development of network codes: Commission in cooperation with ERGEG and ENTSO-E will draft a Work Programme of framework guidelines and codes for 2011-2012 that will be presented on the next Forum.
- A regulatory initiative on transparency and integrity of trade wholesale markets for electricity and gas was reported by the Commission, stakeholders should submit their comments by February 2010, and a legal proposal will take place in 2010.
- Commission reported on the recent established Task Force for the implementation of Smart Grids.

## ●●● EC GAS REGULATORY FORUM

The European Gas Regulatory Forum took place in Madrid on the 14<sup>th</sup> & 15<sup>th</sup> January 2010. It was attended by representatives of the European Commission, Ergeg, Member States, and stakeholders. Main topics discussed were:

- Development of network codes: Commission presented a discussion paper on network codes and framework guidelines priorities.
- Tariffs and balancing: KEMA study on balancing problems and harmonization of transmission tariff structure was presented. Comments are requested from stakeholders by 1 March 2010. Commission will address in its TEN-E infrastructure package later this year the link between regulatory treatment of tariffs and infrastructure investments. ERGEG will present draft framework guidelines on balancing to next Madrid Forum.
- Capacity Allocation Management, CAM: ERGEG presented its Public Consultation on CAM and will submit final pilot framework guidelines to EC afterwards. Then ENTSOE will start to draft pilot network code.
- Congestion Management Practices: Commission will consider to amend chapter 2 of Annex I of regulation 715/2009 based on ERGEG recommendations in accordance to the comitology procedure of third energy package.
- Gas quality: Commission announces that a cost benefit analysis has been launched on gas quality standards.
- 10 year network development plan: ENTSOE presented its first 10yNDP.
- LNG: ERGEG presents its work on congestion management procedures, anti-hoarding mechanism in European LNG terminals and harmonization of LSO services and access conditions.
- Regional Initiatives: Draft Final Study on future role Regional Initiatives conducted by EC was presented. Stakeholders are invited to submit comments by 31<sup>st</sup> of January 2010. Commission will adopt a Communication on the Regional Initiatives by June 2010.

## ●●● ERGEG latest publications

- ERGEG Final Guidelines of Good Practice on electricity grid connection and access (2010-01-15)
- CEER 2010 Work Programme (2010-01-14)
- ERGEG 2009 Status Review of the Liberalisation and Implementation of the Energy Regulatory Framework (2010-01-14)
- ERGEG public consultation on the pilot framework guideline on capacity allocation in gas transmission networks (2009-12-18)
- ERGEG revised principles on capacity allocation and congestion management in natural gas transmission networks (2009-12-18)
- ERGEG recommendations for Guidelines adopted via a comitology procedure on congestion management on European gas transmission networks and impact assessment (2009-12-18)
- ERGEG public consultation on the draft advice on the Community-wide Ten-Year Electricity Network Development Plan (2009-12-17)
- ERGEG public consultation on Smart Grids (2009-12-17)
- CEER public consultation on "Integration of wind generation" (2009-12-10)
- ERGEG Regional Initiatives Progress Report of November 2009 (2009-11-17)

## A Z O O M O N

## ●●● GEODE Workshop and Position Paper on Smart Metering

The 26<sup>th</sup> of November 2009 **GEODE** hold a Workshop on Smart Metering in Brussels that gathered participants from 16 different nationalities. It was attended by representatives of the energy industry, national regulators and Members of the European Parliament. Ms. Patrizia De Suzzoni, European Commission Representative and Chairman of ERGEG Customers Focus Group presented ERGEG recently published Status Review on Regulatory aspects of Smart Metering, and Mr Anthony Doherty from DG-TREN (EC) presented the new provisions on the third package supporting Smart Metering implementation in Europe. Within the occasion **GEODE** presented its Position Paper on Smart Metering. **GEODE** holds that DSO is the suitable actor to be responsible to manage the Smart Metering infrastructure, and stressed DSO must receive financial allowances to recover the cost of investment of Smart Metering implementation. **GEODE** believes it is very important to define a minimum Smart Meter functionalities and standardisation at a European level and pointed out the importance of customer concerns over privacy issues, data handling and EMF that must be carefully considered in the project for the installation of Smart Metering.

## A G E N D A

### GEODE BOARD MEETING

Barcelona, 1<sup>st</sup> and 2<sup>nd</sup> of February 2010

### ENERGY EFFICIENCY WG

Berlin, 25 of January 2010

### INTELLIGENT NETWORK WG

Vienna, 11<sup>th</sup> of March 2010

### GEODE SPRING SEMINAR

Brussels, 11<sup>th</sup> of May 2010