

EDITORIAL

The European Commission is working in a new Infrastructure Package that will include a Communication on Smart Grids. **GEODE** outlines the importance to consider the need of investments in the distribution grid, and recognize DSO as a key party to assure the implementation of Smart Grids. **GEODE** claims for regulatory mechanism to assure incentives for DSOs investments and access to R&D&demonstration projects. **GEODE** is working on a Smart Grids report to be presented with occasion of next **GEODE** Autumn Seminar on the 4th of November 2010

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EUROPE

●●● EU BELGIAN PRESIDENCY. ENERGY AGENDA

The 1st of July Belgium took over the Presidency of the EU for the next six months. On energy the Belgian Presidency aims at:

- Adoption of the new Energy Action Plan 2011-2020.
- The Council will initiate debate on a roadmap for 2050-long-term strategy for a low CO2 emissions economy.
- New infrastructure package: North Seas Countries Offshore Grid Initiative, Smart Grids, review of TEN-E programme.
- Legislation on transparency and integrity of wholesale markets.
- Application of biomass as an energy source.
- Implementation of economic recovery plan.

●●● FLORENCE ELECTRICITY REGULATORY FORUM

The Florence Forum took place on the 10th & 11th of June 2010. The topics discussed were:

- **Regional Initiatives (RI):** the study on RI made by Everismercados for the EC was presented. The Commission will publish a Communication on RI in autumn 2010.
- **Codes, guidelines and implementation of the third package:** ENTSO-E presented the networks codes development process. The first pilot network code is on grid connection, to be released for public consultation Q1 2011. ERGEG has prepared a draft pilot framework guideline on electricity grid connection which is now under public consultation until 24th September 2010.
- **Market integrity:** The Commission launched a public consultation on the integrity and transparency of wholesale energy markets until the 23rd of July 2010. A draft legal proposal is expected to be published by autumn 2010. ERGEG announces its work on harmonization of trading licenses for wholesale market participants.
- **Infrastructure Package:** The Commission will publish a new package in November 2010 and will include a communication on Smart Grids. The Commission informed about the work being done by the Task Force for the implementation of Smart Grids.
- **Influence of renewables on electricity market:** The Commission will carry out an impact assessment of increased renewables on the internal market.

●●● EUROPEAN COMMISSION PUBLIC CONSULTATION ON INTEGRITY OF WHOLESALE MARKETS

The Commission launched on May 2010 until the 23rd of July, a Public Consultation on the integrity of traded energy markets. This initiative responds to the need of trust on the electricity and gas markets. The objective is to collect opinions and advices from

interested parties. This will feed into an Impact assessment which will define the most appropriate policy option and the way forward.

●●● EU REACHES A COMPROMISE ON REGULATION TO SAFEGUARD SECURITY OF GAS SUPPLIES

EU Member States approved on the 25th of June 2010 a compromise on a new regulation to safeguard security of gas supplies. The new regulation will oblige member states to follow supply and infrastructure standards to ensure they can maintain normal supply during the coldest winters. They also have to draw up a preventive action and emergency plan in case of disruption. Reverse flow technology will be installed in all interconnections within three years.

The text states, that market-based measure should be the first reaction to any supply disruption. Non-market actions will be used as a last resort. The regulation defined and listed "protected customers", which are those customers whose gas access must be guarantee, but gives flexibility to Members States to include other categories, limiting those customers to to a 20% of final gas use. The Parliament is expected to endorse the compromise in September.

Source: Euroactive 28 June 2010

●●● BUCHAREST FORUM ON ENERGY EFFICIENCY

The Bucharest Forum took place on the 6th & 7th July 2010. The topics discussed were:

- **Energy roadmap 2050:** It envisages energy policy to move to low carbon economy, fulfill 2050 goals on competitiveness, reduction of CO2 emissions and security of supply. A communication will be launched in beginning 2011.
- **Energy Strategy 2011-2020:** To be adopted by The Commission in November 2010. A public Consultation will be closed on the 2nd of July 2010. It envisages as areas of further action: modern integrated grids, tools to make progress towards a low-carbon energy system, technological innovation and protection of EU citizens by promoting energy savings and guaranteeing security of supply.
- **Energy Efficiency Action Plan:** It will identify areas where future actions are needed. Scheduled to be published in the middle of 2011. It will affect transport, industry, energy, education and financial sectors.
- **Role of energy companies in the energy efficiency services market:** The European Federation of Energy Agencies informed all operators that want to enter the energy services market should comply with common requirements.

SUMMARY

EDITORIAL

EUROPE

- EU Belgian Presidency. Energy Agenda
- Florence Electricity Regulatory Forum
- EC Public Consultation integrity wholesale markets
- EU reaches compromise on Security of Gas Supply Regulation

Bucharest Forum on Energy Efficiency

A ZOOM ON

- ERGEG draft GGP on regulatory aspects of Smart Metering for electricity and gas
- EC Task Force for Smart Grids

●●● EUROPEAN COMMISSION REQUESTS 20 MEMBER STATES TO IMPLEMENT SINGLE MARKET RULES

The Commission has decided to send 35 requests to 20 member States. It demands the implementation and in full various aspects of EU legislation to create a single energy market for gas and electricity. The infringements concern the second energy package, electricity and gas directives from 2003, Regulation on conditions for access to the network for cross-border exchanges in electricity and Regulation on conditions for access to the natural gas transmission networks. These Member States have two months to respond to the requests, which take the form of 'reasoned opinions' under EU infringement procedures. In the absence of satisfactory responses from the Member States concerned, the Commission may refer them to the EU's Court of Justice. The 20 Member States are: Austria, Belgium, Bulgaria, the Czech Republic, Germany, Spain, France, Greece, Hungary, Ireland, Italy, Luxembourg, The Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Sweden and the United Kingdom.

Key violations identified by the Commission concern:

- Lack of information provided by electricity and gas transmission system operators, thereby obstructing effective access for supply companies to networks.
- Inadequate network capacity allocation systems, preventing from the optimum use of networks for electricity and gas transmission in Member States.
- Lack of coordination and cooperation on across borders by electricity transmission system operators and national authorities, which is necessary for a better network allocation capacity on cross-border interconnections, and the functioning of the existing electricity grid to cover regional and European needs.
- Inadequate efforts by gas transmission system operators to offer the possibility to network users to enter upstream gas markets services (such as from Germany to Poland or from Greece to Bulgaria by offering interruptible reverse flow, also known as 'backhaul').
- Lack of effective enforcement action by the competent authorities in Member States in case of violations of the EU regulations, including the absence of effective penalties at national level.
- Lack of adequate dispute settlement procedures for consumers. A lack of transparent, simple and inexpensive procedures for dealing with their complaints can lead to consumers' reluctance to take advantage of the Single Market in energy.

Source: DG-ENER Press Release

●●● ERGEG latest publications

- ERGEG Public Consultation on pilot framework guideline on electricity grid connection (2010-07-14)
- ERGEG Final advice on the community-wide Ten-Year Electricity network development plan (2010-06-23)
- ERGEG Conclusions paper on Smart Grids (2010-06-23)
- ERGEG Public Consultation on draft GGP on regulatory aspects of smart metering for electricity and gas (2010-06-22)
- ERGEG Final pilot framework guideline on gas capacity allocation (2010-06-21)

A Z O O M O N

●●● ERGEG DRAFT GGP ON REGULATORY ASPECTS OF SMART METERING FOR ELECTRICITY AND GAS

The European Regulators have launched a public consultation until the 3rd of September on draft guidelines of good practice on regulatory aspects of smart metering for electricity and gas. They are intended to serve as guidance for Member States, national regulators and industry when considering and deployment smart metering systems.

The draft GGP cover a set of minimum and optional services relating to smart metering, followed by recommendations on aspects of parameters that should be taken into account when conducting a cost benefit analysis, and a section on parameters to consider before conducting a roll-out. A section is dedicated to describe the regulators recommendations on data security and customer integrity.

GEODE will contribute with comments on the mentioned public consultation on regulatory aspects of Smart Metering.

Source: ERGEG website www.energy-regulators.eu

●●● EC TASK FORCE FOR SMART GRIDS

The Commission settled in November 2009 a Task Force for the implementation of Smart Grids. A Steering Committee was appointed and **GEODE** is represented by its General Delegate. Three Experts Groups were created on smart grids/smart meters functionalities (EG1), data protection (EG2) and roles and responsibilities (EG3). **GEODE** has been represented through its members companies in all three Expert Groups. At the last meeting of the Steering Committee on the 22nd of June 2010, first deliverables from each Expert Group after half a year of work were presented. A three weeks period for final comments was opened and a fine-tuned report will be presented in October 2010. EG1 will prepare a 1st draft for standardization mandate on smart grids functionalities. EG 2 will work to analyse if existing EU legislation covers the privacy and data protection issues from using of the Smart Grids during the next 6 months. EG3 has concluded that no further legislation at EU level is needed as regards Smart Grids deployment. The Commission will publish a communication on Smart Grids based on the work of the Task Force by end November 2010.

A G E N D A

Gas Regulatory Forum
Madrid, 27th and 28th of September 2010

GEODE Board Meeting
Brussels, 3rd of November 2010

GEODE Autumn Seminar:
Brussels, 4th of November 2010