

## Who are the European Energy Regulators?

Each country in Europe has, by law, a national, independent energy regulator. Europe's energy regulators, represented by **CEER and ERGEG**, oversee the efficient functioning of Europe's energy markets and play an *important role in the development of competition in the EU energy consumer's interest*.



### What is ERGEG?

The **European Energy Regulators' Group for Electricity and Gas (ERGEG)** is the *European Commission's advisory body* on internal EU energy market issues.



### What is CEER?

The **Council of European Energy Regulators (CEER)** is a not-for-profit association, set up by regulators themselves in 2000 on their own initiative, and is based upon the voluntary cooperation of the regulators.

Both organisations were established for the cooperation of the independent energy regulators of Europe.

## Why are there two bodies representing national energy regulators at EU level?

ERGEG was set up by the European Commission in 2003 as its advisory body whereas CEER is an independent body formed and funded by regulators. In creating *ERGEG as its advisory body and mandating it to consult openly*, the Commission has set up an open platform for all interested stakeholders (not just regulators) to participate in the EU energy regulatory process.

ERGEG is the *formal means* through which the energy regulators of Europe advise the European Commission. CEER acts as a *preparatory body* for ERGEG's work.

ERGEG is charged with advising and assisting the European Commission in consolidating the internal energy market in Europe, in particular with respect to preparing draft implementing measures in electricity and gas. ERGEG plays a key role both in shaping policy proposals and in ensuring the implementation of agreed policy.

While ERGEG inevitably focuses on a single EU energy market, CEER's work is much broader (e.g. regulatory benchmarking of quality of supply, and international regulatory cooperation).

## Some examples of what the European Energy Regulators do

### 1. ERGEG's Regional Initiatives

The *ERGEG Regional Initiatives* are a flagship (own-initiative) project of the regulators to *speed up the integration of Europe's national energy markets*. Launched in 2006 with the European Commission's support, the Regional Initiatives established 7 regional electricity and 3 regional gas markets in Europe.

Through these regions, specific barriers to trade and competition (such as a lack of transparency, and balancing) are tackled by each country working with its neighbours, and solutions found so as to improve market integration.

The Regional Initiatives have already delivered concrete results, e.g. in the areas of managing bottlenecks, calculating and allocating grid capacity, and the transparency of market information. Progress is carefully monitored at EU level by ERGEG so as to ensure convergence towards a single electricity and gas market in Europe.

The Regional Initiatives bring forward and implement practical solutions to remove barriers to trade and facilitate market integration. The Regional Initiatives act as a springboard to a competitive, single European electricity and gas market via the interim step of regional markets.

### 2. Monitoring compliance with existing rules and obligations

As proper implementation of the existing EU energy legislation is imperative for competitive markets to develop, ERGEG carries out *extensive monitoring* of compliance with the current rules (e.g. transparency, access, and implementation of consumer rights) and *advises the European Commission* accordingly.

ERGEG's monitoring:

- provides *unbiased facts and figures*;
- enables the European Commission to consider appropriate action*, for example whether to take legal action against Member States for not fulfilling their legal obligations or whether to introduce new stricter rules or other measures;
- can lead to *ERGEG Guidelines for Good Practice* (e.g. on gas storage, electricity and gas balancing, regulatory accounts unbundling, and supplier switching). ERGEG GGPs are voluntary guidelines which are developed in consultation with stakeholders and their implementation is monitored by ERGEG. Although not legally enforceable, they are designed to assist in the proper implementation of the principles set out in the current energy laws.
- helps ensure a consistent application of EU laws in all EU Member States*.

### 3. Advising the European Commission on legislative proposals

ERGEG advises the European Commission in its preparation of new legislative proposals. For example, legally binding guidelines on Congestion Management, developed on the basis of advice from ERGEG, came into force in 2006. In 2007, ERGEG provided detailed advice to the Commission when preparing the 3<sup>rd</sup> *energy liberalisation legislative package proposals* such as *strengthening regulators' powers*, the *creation of an EU Agency* for the cooperation of energy regulators, *unbundling* and *how to improve customer rights*.

Since its inception, ERGEG has demonstrated its commitment to full and open consultation. Through extensive use of ERGEG's public consultations, public hearings, and the European regulatory discussion fora (on gas, electricity and citizen energy issues) which ERGEG co-hosts with European Commission, regulators consult stakeholders widely.

ERGEG's public consultation practices are based on four guiding principles: openness, transparency, consistency and accountability.

### 4. Empowering consumers

With a dedicated working group, there is a *solid consumer element to our work* to help retail energy markets deliver for consumers. ERGEG, as an advisory body to the European Commission, also encouraged the European Commission to set up (in 2008) a new *Citizens' Energy Forum (London Forum) on energy consumer and retail issues*. It should strengthen the role of consumer representative bodies in influencing best practices and EU policy development.

Consumers must get the *best choice, price and quality*. Competitive markets and empowering consumers can deliver this.

### 5. Spreading better regulation worldwide

CEER is the body through which the EU's national energy regulators discuss, coordinate and speak with one voice externally.

Europe's regulators not only establish *best regulatory practice but also seek to spread it worldwide*. One tool used is the IERN web platform ([www.iern.net](http://www.iern.net)) which was created by CEER for global cooperation and information exchange on energy regulation. It contains information on more than 300 energy regulators worldwide.

CEER and the Greek Regulator, RAE, host the fourth World Forum on Energy Regulation, 18-21 October 2009, in Athens.  
[www.worldforumiv.info](http://www.worldforumiv.info).





## Objectives and Priorities of the European Energy Regulators

EREGG and CEER pursue the same overall aim of *facilitating the creation of a single, competitive, efficient and sustainable market for gas and electricity in Europe.*

Some other objectives:

- facilitate consultation, coordination and cooperation of national regulatory authorities, contributing to a consistent application of legislation in all Member States;
- set up co-operation, information exchange and assistance amongst regulators;
- contribute to the advancement of research on regulatory issues.

## Why do the European Energy Regulators promote competition?

The *first priority* of EU energy regulators is to ensure that *energy consumers get the best possible deal.* The best way to do this is to create a single, competitive EU market in electricity and gas.

Creating the conditions for a competitive environment is at the heart of what we do.

Our core work focuses on *stimulating investment and competition*, and *regulating monopolies* which impacts on consumers:

- the development of, and non-discriminatory access to, the grid – without this there can be no supplier choice;
- encouraging investment and facilitating cross-border trade so that Member States' networks are more interconnected;
- encouraging better co-operation between network operators – this needs effective unbundling with proper regulatory oversight by strong national regulators;
- facilitating well-functioning wholesale markets – this is necessary for well-functioning retail markets;
- tackling barriers to competition (e.g. lack of transparency, fragmented balancing markets, etc.) through regulatory tools.

In promoting competition, regulators contribute to fostering suppliers' responsiveness to meet customers' expectations.

## Structure

CEER and EREGG have a similar organisational structure and share the same Board.

EREGG's Plenary is made up of the heads of the national energy regulatory authorities of the EU Member States. In CEER, this is called the General Assembly.



Lord Mogg,  
CEER President  
and EREGG Chair

The executive body of CEER is the Board of Directors, comprising one President and up to five Vice Presidents. In EREGG, the Board members are called the EREGG Chair and Vice Chairpersons.

The core working groups (WGs) are on gas, electricity, customer, 3<sup>rd</sup> energy package, financial services, international strategy and Energy Community issues. These are supported by task forces (TFs) in charge of specific issues.

The Brussels-based CEER Secretariat, headed up by Mrs. Fay Geitona (Secretary General), supports both CEER and EREGG.

## More Information

All documents (advice to the European Commission, monitoring reports, position papers, communications material, etc.) are freely available on [www.energy-regulators.eu](http://www.energy-regulators.eu). Also on the website:

- *European Energy Regulators' News* – a free, electronic, monthly newsletter;
- a dedicated *Regional Initiatives* section with reports, meetings and achievements of the 7 electricity and 3 gas regions;
- all EREGG *public consultation* material (including responses received, and conclusions);
- details of our activities – annual work programme, annual report, proceedings from events (annual convention, workshops, etc.).

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## CEER and EREGG representing Europe's national energy regulators



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