

## BACKGROUND DOCUMENTS

of the 126<sup>th</sup> ACER Board of Regulators Meeting

18 September 2024

	Agenda point	Direct link
ACER Opinion on the compliance of the ENTSO-E-ENTSOG Ten-Year Network Development Plan 2024 Scenarios Report with ACER Scenarios Guidelines	5.1	<a href="#">Link</a>
ACER Decision on amendments to the price coupling algorithm and the continuous trading matching algorithm, including the common sets of requirements	5.2	<a href="#">Link</a>
ACER Decision on the amendment of the methodology for calculating scheduled exchanges resulting from single day-ahead coupling	5.3	<a href="#">Link</a>
ACER Decision on the amendments to products that can be taken into account in the single day-ahead coupling	5.4	<a href="#">Link</a>
EC Fitness Check evaluating EU energy security architecture	6.1	-
ACER Opinion on the Estonian national resource adequacy assessment	6.2	<a href="#">Link</a>
Market Monitoring Report (MMR): Energy retail and consumer protection	6.3	<a href="#">Link</a>

*Below are the documents that are not available for download from ACER's website:*

## CALL FOR EVIDENCE FOR A FITNESS CHECK

<b>TITLE OF THE INITIATIVE</b>	Fitness check evaluating the EU’s energy security architecture
<b>LEAD DG – RESPONSIBLE UNIT</b>	Directorate General for Energy, Unit B4 - Energy security and safety
<b>LIKELY TYPE OF INITIATIVE</b>	Fitness check
<b>INDICATIVE TIMING</b>	Q1 2025
<b>ADDITIONAL INFORMATION</b>	<a href="https://energy.ec.europa.eu/topics/energy-security/security-electricity-supply_en">https://energy.ec.europa.eu/topics/energy-security/security-electricity-supply_en</a> <a href="https://energy.ec.europa.eu/topics/energy-security/security-gas-supply_en">https://energy.ec.europa.eu/topics/energy-security/security-gas-supply_en</a>

### A. Political context, problem definition and subsidiarity check

#### Political context

European energy policy aims at providing affordable, secure, and sustainable energy to all Europeans. Thus, **energy security** is one of the three objectives of energy policy, next to affordability and environmental sustainability, and one of the five dimensions of the Energy Union. Some relevant events brought energy security back at the top of the political agenda. Firstly, the 2022/2023 energy crisis caused by Russia’s unjustified and unprovoked military invasion of Ukraine. Secondly, the plan to phase out the EU’s dependence on Russian energy imports, and thirdly the rapidly evolving geopolitical (e.g., conflict and human rights violations in the Middle East), climate (e.g., more frequent extreme weather events), and economic (environments e.g., economic competition with other major blocks) brought energy security back at the top of the political agenda, which has led to several political calls for action:

- During the negotiations for the Hydrogen & Decarbonised Gas Package, the Parliament and the Council called for a deeper **revision of the gas security of supply Regulation**.
- On 22 March 2024, the European Council underlined the imperative need for enhanced and coordinated military and civilian preparedness and invited the Commission “to propose actions to **strengthen preparedness and crisis response at EU level**” (1).
- The Council conclusions of 30 May on Electricity Grid Infrastructure asked the Commission to “conduct a **targeted legislative review to further reinforce of the EU’s security of electricity supply architecture over the longer term**” (2).

Moreover, in its report of April 2024, Enrico Letta also called for “**a systematic review of the gas security of supply framework**” (3).

Reviewing the EU energy security framework will also contribute to deliver on the priorities depicted in the Political Guidelines for the next European Commission 2024-2029, such as the building of a new Clean Industrial and of a Preparedness Union.

#### Purpose and scope

The EU already has a comprehensive, albeit sectorally divided, energy security architecture. Most notably, the **Gas Security of Supply Regulation (EU) 2017/1938** and the **Electricity Risk Preparedness Regulation (EU)**

(1) <https://www.consilium.europa.eu/media/70880/euco-conclusions-2122032024.pdf>

(2) It notably requested the Commission to focus “on risk preparedness, whilst taking into account recent developments and lessons learned from the energy crisis, Russia’s war of aggression against Ukraine, climate risks and various low-probability high-impact scenarios”.

(3) <https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf>. It notably recommended “to take into account the new realities of the LNG market and promote greater solidarity in case of crisis. This review must also include the role of future clean gases, like hydrogen”.

2019/941 are key pillars of the EU's preparedness, security of supply and resilience to possible energy crises.

The **REPowerEU Plan** and the temporary emergency regulations based on Article 122(1) TFEU during the energy crisis addressed certain shortcomings of the framework.

The Gas Security of Supply Regulation and the Electricity Risk Preparedness Regulation have been in force since 2017 and 2019 respectively, meaning that sufficient time has passed to perform a fitness check to identify synergies within the legislative framework on the one hand, and on the other to structurally internalise lessons learned from the COVID-19 and energy crises, as well as the changing landscape due to the energy transition.

In particular, the **objective** of this fitness check is to evaluate the effectiveness, efficiency, coherence, relevance and EU added value of the aforementioned Regulations. In particular, the fitness check will allow the Commission to assess the performance of the EU's energy security architecture during the energy crisis and to support the clean energy transition, and identify possible deficiencies, as well as synergies and efficiency gains within its legislative framework. This could benefit the ongoing sectoral integration, as well as reduce administrative burden. The assessment will also look at how the cooperation with neighbours, in particular with Energy Community contracting parties, worked.

In addition to evaluating how the EU's energy security architecture has functioned in the past, the fitness check also looks at its continuous relevance by considering the dynamic changes ongoing in the EU's energy system. For example, the decarbonisation and electrification of the energy system may bring new opportunities but also new challenges: more distributed and decentralised energy production, increased concentration of energy generation on more intermittent energy sources, and vulnerability of critical energy infrastructure to natural or man-made disasters. Increased cross-sectoral and cross-border integration may also bring new challenges and risks (increased probability of cascading failures), as well as possible benefits for energy security.

## B. Better regulation

### Consultation strategy

A 12-week **public consultation**, in all official EU languages, is envisaged during the period August-November 2024. The public consultation will be supplemented by the organisation of meetings with stakeholders via dedicated fora to gather evidence in a more targeted way, for example through the **Commission's expert groups** for instance (Electricity Coordination Group and Gas Coordination Group).

To ensure sufficient responses to the questionnaire of the public consultation, a wide array of outreach activities is planned (e.g., outreach to expert groups, press release, use of social media, etc.). While the involvement of stakeholders with most interest in EU energy security policy can be expected, the focus of the communication is to also ensure engagement of underrepresented stakeholders that are traditionally less directly affected or interested, such as EU citizens and NGOs.

In line with the European Commission's Better Regulation policy to assess policies informed by the best available knowledge, we also invite scientific researchers, as well as academic organisations, think tanks, learned societies, and scientific associations with expertise in the energy security field, to submit relevant published and pre-print scientific research, analyses and data. We are particularly interested in submissions that synthesise the current state of knowledge in relevant field(s).

### Why we are consulting?

Following the Commission's evidence-based policy, this call for evidence aims at providing stakeholders and citizens with an opportunity to provide feedback on the current EU energy security architecture, and on the potential issues, as well as improvements or adds-on that could be made to it. It further includes a structured questionnaire, to which citizens and stakeholders are invited to answer during a 12-weeks period, a number of closed questions and several open questions to allow stakeholders and citizens to freely express their views.

### Target audience

The call for evidence seeks the views from a broad range of stakeholders, both stakeholders active in the fields of energy/energy security/defence and security, as well as those who do not work on these topics on a daily basis.

### Data collection and methodology

The fitness check will notably use the information and the data from the 2016 Impact Assessment accompanying the proposal for the Gas Security of Supply Regulation (SWD(2016) 25 final), from the 2016 Impact Assessment accompanying the proposal for Risk Preparedness Regulation (SWD(2016) 410 final), as well as from the Commission's reports reviewing the application of the Gas Security of Supply Regulation (COM(2023) 572 final), on certain aspects concerning gas storage (COM(2024) 89 final), on the functioning of coordinated gas demand reduction (COM(2024) 88 final) and on the review of the Solidarity Regulation (COM(2023) 547 final).

The fitness check will also be informed by the upcoming update of the EU-wide security of gas supply simulation to be performed by ENTSOG by the end of 2024, as per Article 7 of the Gas Security of Supply Regulation (the previous edition of the simulation can be found [here](#)). ENTSO-E's seasonal and ERAA outlooks, as well as the latest TYNDP scenarios could also feed into the fitness check. The annual reports from ACER on the monitoring of security of EU electricity supply, foreseen by Article 15 of ACER Regulation<sup>4</sup>, may also be used as a source of quantitative and qualitative information.

If relevant, internal modelling activities, involving experts from the Commission's Joint Research Centre (JRC) and other services, could feed into the quantitative assessment. Lastly, the Commission services, in particular with the support of JRC, will also perform desk research activities in order to collect data and information from academic publications, public reports from recognised entities, as well as from specialized databases.

This call for evidence should contribute to gather more information and knowledge on the implementation of the Electricity Risk Preparedness Regulation, but in particular also on its interactions with the Gas Security of Supply Regulation.

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<sup>4</sup> Regulation (EU) 2019/942