

**Europex response to the Public consultation on the role of
stakeholders in the implementation of network codes and
related guidelines and the establishment of European Network
Code Stakeholder Committees**

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EUROPEX is a not-for-profit association of European energy exchanges that represents the interests of the exchange based wholesale markets for electrical energy, gas and environmental markets with regard to developments of the European regulatory framework for wholesale energy trading and provides a discussion platform at the European level.

ACER and ENTSO-E invited all interested parties to submit their comments on the consultation document on the role of stakeholders in the implementation of network codes and related guidelines, and in particular on the establishment of a European Network Code Stakeholders Committees and the proposed structure for stakeholder's engagement in the implementation process.

Given the role of power exchanges in the DA and ID market integration arrangements, our comments address in particular the impact of the proposals in these areas.

Consultation response

I. Implementing the network codes: a challenge for the electricity sector

Europex agrees with the importance given by both ACER and ENTSO-E to the implementation of the network codes and recognises that, notwithstanding the fact that considerable efforts were devoted to the development of the network codes for electricity, challenges are still waiting ahead.

Referring to the page 3 of the consultation document mentioning that *“ACER and ENTSO-E (and in some cases nominated electricity market operators, i.e. NEMOs) will play an important role [...] in facilitating effective stakeholders engagements”*, Europex would like to emphasize where power exchanges should play a leading role. As part of the existing voluntary initiatives to implement and operate DA and ID coupling solutions, power exchanges (together with TSOs) have established user groups as an effective approach to facilitate and coordinate stakeholder input. The scope, objectives and membership of

the user groups is determined by the technical and operational issues of relevance and have proven to be very successful. In general, Power Exchanges play a full and equal role with TSOs in the management of these DA and ID user groups.

With the anticipated implementation of the mandated EU-wide solutions under the CACM Guideline, Europex believes that NEMOs should continue to have a joint role in organising the necessary stakeholders' involvement. This recognises the fact that PXs and TSOs each perform their own distinct roles and represent the different perspectives of system and market operation.

Furthermore, user groups should be retained with a broad and flexible remit, in order to address issues of common interest for users of the DA and ID solutions. The Steering Committees of the respective DA/ID initiatives should continue to be responsible for setting up the users groups to ensure their continued relevance and effectiveness, and this can be in coordination with ACER.

Europex believes that a fair, objective and unbiased approach to stakeholders' engagements will be increasingly important to ensure continued stakeholder support for the implementation and subsequent evolution of these DA and ID arrangements.

II. Proposed structure for additional stakeholder engagement in the implementation process

Europex welcomes the proposed approach that recognizes the role of NEMOs in co-chairing relevant Expert Groups. We believe that this proposal goes in the same direction as the inclusion of NEMOs in the process of the amendment of CACM *"In accordance with Art. 18(3) of Regulation (EC) 714/2009, the Commission will consult ACER, ENTSO-E and other relevant stakeholders, notably NEMOs, before proposing any amendment to this Regulation"* and alleviates the lack of an explicit role for NEMOs in Art. 9b of CACM.

Europex also welcomes the proposal that ACER would chair the European Stakeholder Committee for Market Codes. It is important that this committee takes a balanced view between the interests of system operation and markets. In particular, for the Stakeholder Committee to be effective, we think it is vital that the formal processes it is supporting (notably guideline or network code modifications) are open, objective and stakeholder-neutral. We do not believe that the drafting process of some of the Codes to date has adequately met this standard - and AESAG was not effective at holding the process to account. This should be a key role for the Stakeholder Committee.

As discussed above, Europex believes that the existing user groups have worked well and should be retained (and potentially extended). The paper proposes the creation of project or issue-specific expert groups. Our interpretation is that the existing user groups should be incorporated into the new suggested structure as these “expert groups”. These new expert groups should, however, continue to be organised by the project parties (as in today’s case) and retain the flexibility to structure themselves (e.g., in terms of role, scope, participation, and organisation) in a way that best meets the needs of their particular circumstances.

Such a proposal would build on the existing structure, while creating a coherent stakeholders consultation structure.

Finally, Europex would like to submit the following questions to ACER and ENTSO-E:

1. On the role of the Committee:

- What would be the ultimate status of the Committee and how will input from the Committee feed into the NC/Guideline implementation and amendment process?
- Why is the current consultation document focussed solely on the electricity Network Codes given the fact that the amendment procedures for both gas and electricity NCs are the same?
- What would now be the role of AESAG?

2. The Governance of the Committee:

- What is the procedure for appointing members?
- What are the responsibilities of the members – e.g., who are they expected to represent?
- Rules and procedures of the Committee: where will they be established and who should approve them?
- Whether and how individual Member States, together with Norway, are going to be represented and how should they form their views.

Europex currently has twenty one members. It represents the interests of exchange-based wholesale electricity, gas and environmental markets with regard to developments of the European regulatory framework for wholesale energy trading and provides a discussion platform at European level.
