



## **Energy Community Regulatory School**

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### About

**Scope** – continuous knowledge building is a constant need for national energy regulatory authorities, in particular having in mind the high complexity and broad expertise required for pro-active and effective regulation of energy markets. This challenge increases with new pieces of legislation becoming applicable in the Energy Community Contracting Parties, most of which involving direct responsibilities and new duties of regulators. The Energy Community Regulatory School aims at supporting the technical knowledge of the Energy Community Contracting Parties' national energy regulatory authorities to effectively implement and efficiently apply the Energy Community *acquis communautaire* – such as but not limited to gas and electricity network codes and guidelines or REMIT as well as resulting increasingly developing market activities. Beyond the mere legal aspects, the Energy Community Regulatory School is dedicated to deliver practical insights and share experience made on EU level. Praxis oriented, interactive and in-depth discussions will be in the core of the training courses tailor made for the Contracting Parties' regulators.

**Addressees** – the national energy regulatory authorities of the Energy Community Contracting Parties and Observers. Subject to place availability, events are in principle also opened to other participants of the Energy Community Contracting Parties and Observers.

**Organisation, costs and credits** – courses are organised by the Energy Community Secretariat. The Energy Community Secretariat reimburses participants of the national energy regulatory authorities of the Energy Community Contracting Parties and Observers as indicated for each course individually. Reimbursement is subject to post-course delivery of a short analysis by participants that puts the knowledge gained from the training course in context with related potentials and challenges in the individual Contracting Party/Observer Country and on cross-border/regional level.<sup>1</sup> The best filing will be awarded an extra reimbursed ticket at one the upcoming Regulatory School course of choice.

**Course fees** – none

**Advisory Committee** – *Dennis Hesseling*, Head of Gas Department, ACER | *Tomislav Jureković*, President of the regulatory authority of Croatia | *Margot Loudon*, ex-Deputy Secretary General, Eurogas | *Jerome le Page*, Manager for European Electricity Markets, EFET | *Branislav Prelević*, ex-ECRB President and Chairman of the regulatory authority of Montenegro

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<sup>1</sup> Assessments are to be submitted maximum one week after the course. Participants are free to choose the format (power point; word) but should not exceed eight slides or two pages.



## Course Program 2019



### 13 February 2019, Vienna: “Coordinated Capacity Calculation in Electricity”

- **Context** – Article 21 of Commission Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management (CACM Regulation) foresees a common capacity calculation methodology for a capacity calculation region. ACER Decision 6/2016 defines the common border between Romania, Bulgaria and Greece as forming the so-called 10th Capacity Calculation Region (CCR) which shall be expanded to the Western Balkan Contracting Parties, subject to them implementing the CACM Regulation (the so-called “Shadow 10th CCR”).<sup>2</sup> Under the Western Balkan 6 (WB6) Initiative’s CONNECTA program, the Energy Community Secretariat provides technical assistance setting out the main principles for a Coordinated Capacity Calculation methodology for the day-ahead market time frame in the Shadow 10th CCR. Implementation of related recommendations are envisaged as regulatory support to the market coupling projects established under the WB6 process.
- **Scope** – this course targets in-depth discussion of the coordinated capacity calculation methodology developed under the WB6 initiative as well as knowledge gaining from the developments on other CCRs and in particular in the 10th CCR regarding coordinated capacity calculation. Dwelling into the processes of TSOs in performing capacity calculation and national regulatory authorities in assessing, monitoring and understand the impact will be the key objective.
- **Duration** – 1 day.
- **Target group** – electricity experts of national energy regulatory authorities and specifically experts involved in assessing and monitoring congestion management and capacity calculation activities of the TSOs.
- **Meeting material**<sup>3</sup> – CACM Regulation; technical assistance recommendations for a Coordinated Capacity Calculation methodology for the Shadow 10th CCR; ENTSO-E material on coordinated capacity calculation.
- **Requirements and credits** – understanding of the meeting material is required. Reimbursement is subject to provision of a short analysis by participants that puts the knowledge gained from the training course in context with related potentials and challenges for adoption and implementation of a methodology and process for coordinated capacity calculation on Contracting Party/Observer Country.<sup>4</sup> The best filing will be awarded an extra reimbursed ticket at one the next Regulatory School courses of choice.
- **Reimbursement** – one representative per State level energy regulatory authority of Contracting Parties and external speakers. Reimbursement is subject to the criteria outlined under “requirements”.

<sup>2</sup> Decision of the Agency for the Cooperation of Energy Regulators No 06/2016 of 17.11.2016 on the electricity transmission system operators’ proposal for the determination of capacity calculation regions.

<sup>3</sup> Meeting material will be made available ahead of the course on the Energy Community website [www.energy-community.org](http://www.energy-community.org) – events – [individual course]. Presentation material will be provided after the meeting.

<sup>4</sup> Assessments are to be submitted maximum one week after the course. Participants are free to choose the format (power point; word) but should not exceed 8 slides or 2 pages.



## 14 May 2019, Vienna: “Electricity System Adequacy and Capacity Mechanisms”

- **Context** – albeit still at a slower pace than in the EU, the electricity markets in the Contracting Parties are experiencing a period of complex transition. With the rapid increase in intermittent renewable electricity generation and the gradual phase-out of conventional coal and nuclear generation, there is a growing concern that energy-only electricity markets will not be able to deliver sufficient generation capacity in the coming years including potential impact on security of supply. At this point in time, the Contracting Parties are still faced to lack of forward trading, no day-ahead hourly signals, no intraday markets, most of the electricity is traded between incumbent generator and incumbent supplier, non-efficient use of cross-border capacity, etc. and thus have not achieved the level of maturity required for the European target model of energy-only markets neither on a national nor regional level. A consultancy project of the Energy Community Secretariat looks into to which extent adequacy issues could and should be addressed through national or a regional capacity mechanism in line with State aid law and the Large Combustion Plants Directive<sup>5</sup> and Industrial Emissions Directive<sup>6</sup> besides or instead of additional capacity, reserves or flexibility, but also the options of more efficient market integration and use of interconnection capacity. While the energy-only market integrated in the internal electricity market remains the target also for the Contracting Parties, the national regulatory authorities should have full understanding of the capacity mechanisms applied in the EU and their impact on the electricity market.
- **Scope** – this course targets in-depth discussion of the interim results of the Secretariat's consultancy project as well as experience in the EU with capacity mechanisms and their impact in the electricity market.
- **Duration** – 1 day.
- **Target group** – electricity experts of national energy regulatory authorities and specifically experts involved in electricity market design, security of supply, system adequacy and grid planning.
- **Meeting material**<sup>7</sup> – ENTSO-E Mid-term Adequacy Forecast of 2017, European Commission's 2014 guidelines on state aid for environmental protection and energy, Commission's 2016 sector inquiry, Large Combustion Plants Directive, Industrial Emissions Directive.
- **Requirements and credits** – understanding of the meeting material is required. Reimbursement is subject to provision of a short analysis by participants that outlines their view on capacity mechanisms and their impact on the market and puts the knowledge gained from the training course in context with related potentials and challenges on Contracting Party/Observer Country level.<sup>8</sup> The best filing will be awarded an extra reimbursed ticket at one the next Regulatory School courses of choice.
- **Reimbursement** – two representative (one per electricity and gas) per State level energy regulatory authority of Contracting Parties. Reimbursement is subject to the criteria outlined under “requirements”.

<sup>5</sup> Directive 2001/80/EC on the limitation of emissions of certain pollutants into the air from large combustion plants.

<sup>6</sup> Chapter III, Annex V and Article 72(3)-(4) of Directive 2010/75/EU on industrial emissions (integrated pollution prevention and control).

<sup>7</sup> Meeting material will be made available ahead of the course on the Energy Community website [www.energy-community.org](http://www.energy-community.org) – events – [individual course]. Presentation material will be provided after the meeting.

<sup>8</sup> Assessments are to be submitted maximum one week after the course. Participants are free to choose the format (power point; word) but should not exceed 8 slides or 2 pages.



## 23 September 2019, Ljubljana: “Congestion Management of Gas Transmission Networks”

- **Context** – Chapter 2.2.1 of the Gas Congestion Management Network Code<sup>9</sup> foresees development of an annual ECRB monitoring report on congestion at interconnection points with respect to firm capacity products sold in the preceding year, taking into consideration to the extent possible capacity trading on the secondary market and the use of interruptible capacity. A first report is to be issued by June 2020.
- **Scope** – this course targets preparation of national regulators for the first ECRB report on congestions in 2020. Learning from European experience of monitoring by the Agency for the Cooperation of Energy Regulators (ACER), it will discuss how congestions are identified and data collection is processes as well as analyse the effects of congestion management measures.
- **Duration** – 1 day.
- **Target group** – gas experts of national energy regulatory authorities and specifically experts involved in gas market design, data collection and congestion management procedures.
- **Meeting material**<sup>10</sup> – Gas Congestion Management Network Code; ACER 2017 annual report on contractual congestion at gas interconnection points; ECRB 2018 gas wholesale market monitoring report.
- **Requirements** – understanding of the meeting material is required. Reimbursement is subject to provision of a short analysis by participants that puts the knowledge gained from the training course in context with related potentials and challenges in the individual Contracting Party/Observer Country and on cross-border/regional level.<sup>11</sup> The best filing will be awarded an extra reimbursed ticket at one the next Regulatory School courses of choice.
- **Reimbursement** – one gas representative per State level energy regulatory authority of Contracting Parties. Reimbursement is subject to the criteria outlined under “requirements”.



## 15 October 2019, Vienna: “Gas and Electricity Distribution Tariffs – Theory and Practise”



- **Context** – Changing technological and legislative environment in the electricity and gas sector has been affecting the distribution business for years. Distribution system operators have been given new tasks, such as investing in network so to enable renewable generation feed-in or facilitating retail markets. All these changes have effect and/or require changes in distribution tariffs.
- **Scope** – the course will discuss distribution tariff methodologies applied in the Energy Community Contracting Parties, including the composition of allowed revenues and tariff design/structures.
- **Duration** – 1 day.

<sup>9</sup> Annex I to Regulation (EC) No 715/2009 on conditions for access to the natural gas transmission networks as amended by Commission Decision (EU) 2012/490 of 24 August 2012 and Commission Decision (EU) 2015/715 of 30 April 2015 – adapted version adopted by PHLG on 12.01.2018.

<sup>10</sup> Meeting material will be made available ahead of the course on the Energy Community website [www.energy-community.org](http://www.energy-community.org) – events – [individual course]. Presentation material will be provided after the meeting.

<sup>11</sup> Assessments are to be submitted maximum one week after the course. Participants are free to choose the format (power point; word) but should not exceed 8 slides or 2 pages.



- **Target group** – gas and electricity experts of national energy regulatory authorities and specifically experts involved in tariff design.
- **Meeting material**<sup>12</sup> – ECRB 2018 survey of distribution tariff methodology in electricity and gas sector, based on information provided by the regulators; Energy Community Secretariat Policy Guideline on distribution tariffs; CEER 2017 Guidelines of Good Practice on Electricity Distribution Network Tariffs.
- **Requirements and credits** – understanding of the meeting material is required. Reimbursement is subject to provision of a short analysis by participants that puts the knowledge gained from the training course in context with related potentials and challenges in the individual Contracting Party/Observer Country and on cross-border/regional level.<sup>13</sup> The best filing will be awarded an extra reimbursed ticket at one the next Regulatory School courses of choice.
- **Reimbursement** – two representative (one per electricity and gas) per State level energy regulatory authority of Contracting Parties. Reimbursement is subject to the criteria outlined under “requirements”.



#### 14 November 2019, Vienna: “Integration of Renewable Energy Sources”



- **Context** – The energy sector is entering into an era of significant transformation due to increase penetration of renewables. Renewable energy technologies are becoming increasingly cost-competitive and investments in renewable energy is outpacing investments in other technologies. . The State aid guidelines for environmental protection and energy 2014-2020 and the provisions of the recast RES Directive require the support to renewable energy to be granted on market based principles, involving renewable energy auctions. The support shall be designed in the form of feed-in premiums, whereas the renewable producers will sell electricity in the market and get the premium on top of electricity market price. Are the electricity systems, and market mechanism applicable, ready to switch to the new support design and accommodate the increasing volume coming from renewable sources? What will be the impact on the market and prices? Integration of renewables into the system and market mechanisms, ensuring on the same time as less distortion as possible requires an in-depth discussion and understanding by those that are designating to ensure well-functioning of the market.
- **Scope** – the course targets understanding of the new support mechanisms applied to incentivise investments in renewables and their impact in the market, trading and in particular balancing mechanism and market of ancillary services.
- **Duration** – 1 day.
- **Target group** – electricity experts of national energy regulatory authorities and specifically experts involved in electricity market design, network development and integration of renewable energy sources.

<sup>12</sup> Meeting material will be made available ahead of the course on the Energy Community website [www.energy-community.org](http://www.energy-community.org) – events – [individual course]. Presentation material will be provided after the meeting.

<sup>13</sup> Assessments are to be submitted maximum one week after the course. Participants are free to choose the format (power point; word) but should not exceed 8 slides or 2 pages.



- **Meeting material**<sup>14</sup> – [tbd]
- **Requirements and credits** – understanding of the meeting material is required. Reimbursement is subject to provision of a short analysis by participants that puts the knowledge gained from the training course in context with related potentials and challenges on Contracting Party/Observer Country level and reflects on applied designs for integration of renewables in the Contracting Parties.<sup>15</sup> The best filing will be awarded an extra reimbursed ticket at one the next Regulatory School courses of choice.
- **Reimbursement** – one electricity representative per State level energy regulatory authority of Contracting Parties. Reimbursement is subject to the criteria outlined under “requirements”.



### 2-3 October 2019, Podgorica: “Day Ahead Electricity Markets”

- **Context** – While liquid markets in all market timeframes are important to ensure correct price signals and efficient allocation of risks among market participants. Forward markets, amongst others, are in particular important for hedging and investment signals. The development of spot market boosted electricity trading by providing a price signal or index of the value of electricity closer to delivery. Day-ahead markets provide hourly prices signalling the value of electricity delivered and the value of cross-zonal capacity. Market coupling as a mechanism for efficient allocation and use for cross-zonal capacity is established using the day-ahead market algorithm by incorporating capacity component in the same auction. Penetration of intermittent renewables requires trading closer to delivery. Intraday markets are becoming more liquid and important to enable market participants to balance their portfolio before balancing. Both, day-ahead and intraday markets, are more efficient if integrated in a wider geographic scope. Commission Regulation 2015/1222 establishing a guideline on capacity allocation and congestion management (CACM Regulation), provided the means and processes for market coupling and the role of national regulatory authorities in this process is crucial.
- **Scope** – the course targets understanding of day-ahead and intraday market operation on national basis, including clearing activity. Understanding the mechanism of market coupling implemented in the EU and the ongoing processes to implement the CACM Regulation remains the key objective.
- **Duration** – 1 day.
- **Target group** – electricity experts of national energy regulatory authorities and specifically experts involved in electricity spot market design and allocation of cross-zonal capacity.
- **Meeting material**<sup>16</sup> – CACM Regulation; ECRB reports on the state of spot market developments.
- **Requirements and credits** – understanding of the meeting material is required. Reimbursement is subject to provision of a short analysis by participants that puts the knowledge gained from the training course in context with related potentials and challenges on Contracting Party/Observer Country level and reflecting on their understanding of market coupling on day-ahead

<sup>14</sup> Meeting material will be made available ahead of the course on the Energy Community website [www.energy-community.org](http://www.energy-community.org) – events – [individual course]. Presentation material will be provided after the meeting.

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<sup>16</sup> Meeting material will be made available ahead of the course on the Energy Community website [www.energy-community.org](http://www.energy-community.org) – events – [individual course]. Presentation material will be provided after the meeting.



and intraday level as well as improving liquidity.<sup>17</sup> The best filing will be awarded an extra reimbursed ticket at one the next Regulatory School courses of choice.

- **Reimbursement** – one electricity representative per State level energy regulatory authority of Contracting Parties. Reimbursement is subject to the criteria outlined under “requirements”.

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<sup>17</sup> Assessments are to be submitted maximum one week after the course. Participants are free to choose the format (power point; word) but should not exceed 8 slides or 2 pages.