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Date: 12 June 2014

via e-mail to: consultation2014001@acer.europa.eu

Consultation regarding ACER's paper "European Energy Regulation: A Bridge to 2025"

Dear Sir or Madam,

MVV Energie appreciates the opportunity to comment on ACER's paper "European Energy Regulation: A Bridge to 2025" and endorses an open debate on the future European regulatory framework. MVV Energie Group is one of Germany's leading energy players, with total sales of almost Euro 4 billion and activities that cover energy generation, trading, distribution, sales and energy-related services. The focus of MVV's strategy is offering customers an efficient, sustainable and secure energy supply, which we understand is also the overarching objective of ACER's activities on the future regulatory framework. More specifically, this framework should further support the integration and integrity of European electricity and gas markets. With this objective in mind, we would like to add to the analysis and ideas presented in ACER's consultation paper as follows:

We affirm ACER's position that the 3rd energy package has to be implemented with all its elements in all EU Member States. It is a necessary condition for ensuring unrestricted access for customers to a competitive and transparent energy market. Before engaging in any additional regulative activities, we are convinced that the enforcement of existing rules and regulations can significantly increase customers' benefit.

We emphasize the importance of input-based instruments in setting adequate investment incentives for DSOs. A regulatory system that relies solely on output-based instruments cannot accommodate to DSOs' existing structures and tasks as well as to dynamically evolving political objectives. But without a dependable regulatory framework that respects each specific context, long-term investments in more flexible and smarter distribution grids will become too risky or too costly for a DSO. Only an inclusion of input-based instruments (e. g. specific investment budgets or technology-specific adders to interest rates) can avoid or at least minimize undue disincentives for grid operators and ensure necessary investments.

We advocate that the DSO will remain the central, neutral grid administrator and that all smart market participants will have to meet minimum quality standards. In a market with more decentralized and volatile energy generation, much more and real-time data will be needed to realize flexible supply and demand side potentials. Grid customers will only benefit from the full potential of related third-party services if their data is handled transparently, securely and indiscriminately. DSOs meet these requirements already today. Furthermore, minimum standards regarding system responsibility, technical competence, financial reliability and organisational resources should apply to all smart market participants ensuring grid stability as well as customer satisfaction. Consequently, we agree with ACER in considering whether current exemptions need to be revised in the light of market developments and a competitive level playing field.

We request a stronger involvement of all parties concerned in the national implementation of the regulative framework. We feel that several regulatory processes of the gas and power transmission system operators, both on cross-border and on national level, would benefit more from a stronger and direct inclusion of market parties concerned. For example, the factors relevant to the day-to-day application of general grid operation rules are not clear to all relevant grid parties. Also, grid infrastructure is currently planned in a close discussion between only the responsible NRA and respective TSOs. An implementation of a permanent TSO-stakeholder board including DSOs, generators and traders would consider the needs of all parties involved and improve regulatory processes in a transparent and efficient manner.

We ask ACER to focus their activities on the regulation of electricity and gas grids respecting institutional transparency. Several elements of ACER's consultation paper are more closely related to competition and antitrust policy than to regulated elements of the electricity and gas system. For example, it is not clear why the level of competition and liquidity in electricity markets, the adequacy of national subsidy systems, price transparency or consumer experience fall under the scope of ACER's regulative responsibilities. We therefore ask ACER to describe more clearly its responsibility for each of the issues presented in the consultation paper and concentrate on its primary tasks and ambit.

Please do not hesitate to contact us for any possible questions or a more detailed discussion of our comments.

Yours sincerely,

MVV Energie AG


Dr. Oliver Kopp


Sebastian Klaus



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