

MINUTES
12th ACER Administrative Board meeting
Wednesday, 20 March 2013, 14.00 – 18.00
ACER, Trg republike 3, 1000 Ljubljana

Present:

Mr. Piotr Woźniak, Chair, and with proxy from Mr. Philip Lowe
Mr. Razvan Eugen Nicolescu, Vice-Chair, and with proxy from Mr. Stefan Tostmann
Mr. Luis Martin Oar, Member
Mr. Rene Tammist, Member
Mr. Guido Bortoni, Member
Lord John Mogg, Chair of the Board of Regulators, Observer
Mr. Alberto Pototschnig, Director of ACER, Observer
Ms. Marie-Christine Jalabert, Adviser

Main conclusions of the meeting

- 1.) The Board adopted the Amendment of AB Decision 21/2001 on reimbursement of BoR expenses (ANNEX 1).
- 2.) The Board adopted the Estimate of revenue and expenditure for 2014 with an amendment to recital 6 (ANNEX 2).
- 3.) On the adoption of the MSPP 2014-2016, the Chairman declared the urgency and decided that a written procedure will be launched.
- 4.) Mr Tostmann was selected to assess, alongside the Chair or the Vice-Chair and the Director, the declarations of commitment and interest of the Chairs and Vice-Chairs of the Administrative Board and the Board of Appeal. The Secretary of the Board will send a reminder to those that have still not submitted their declarations. The examination process will then begin.
- 5.) The next meeting will be held in the premises of the Polish TSO on 13 June.

1. Approval of the Agenda

The following agenda of the 12th ACER Administrative Board meeting was approved:



12th ACER Administrative Board meeting
Wednesday, 20 March 2013, 14.00 – 18.00
 ACER, Trg republike 3, 1000 Ljubljana

DRAFT AGENDA V2

Agenda Topics	Accompanying documents	Rapporteur
<p>Opening</p> <p>1. Approval of the agenda</p> <p>2. Minutes of the 11th Administrative Board meeting</p>	<p>Doc 1 for approval</p> <p>Doc 2 for approval</p> <p>Doc 3 for information</p>	<p>AB Chair</p> <p>AB Chair</p>
<p>Reporting on developments</p> <p>3. Report on the written procedures</p> <p>4. Report on ACER developments (including REMIT, monitoring pursuant to Art. 11 Regulation (EC) No 713/2009, and on the activities of the Board of Regulators, Capacity Markets)</p>	<p>Oral update</p> <p>Oral update</p>	<p>ACER Director</p> <p>ACER Director BoR Chair</p>
<p>General ACER work</p> <p>5. Amendment of AB Decision 21/2001 on reimbursement of BoR expenses</p>	<p>Doc 4 for decision</p>	<p>ACER Director</p>
<p>6. Roadmap on the follow-up to the Common Approach on EU</p>	<p>Doc 5 for information</p>	<p>ACER</p>

Agenda Topics	Accompanying documents	Rapporteur
decentralised agencies	Doc 6 for information	Director Commission
7. Estimate of Revenue and expenditure for 2014	Doc 7 for adoption	ACER Director
8. Work Programme 2013 - Possible review following the EU Budget Decision	Doc 8 for consideration	ACER Director
9. Work Programme 2014 - Priorities	Doc 9 for information	ACER Director
10. Follow up to the external survey	Doc 10 for discussion	ACER Director
Administrative work		
11. MSPP 2014-2016 (*)	Doc 11a,b,c for approval	ACER Director
12. Information about the budget transfers in 2012	Doc 12,13,14,15,16,17,18,19,20,21 for information	ACER Director
13. Submission of Declarations of Interest for 2013	Oral Update	AB Chair
14. New ACER Premises – Update on the process	Oral update	ACER Director
AOB Annual Conference		 ACER Director

(*) Subject to the Commission's inter-service consultation being completed and the Agency notified accordingly

2. Minutes of the 11th Administrative Board meeting

Lord Mogg, as the Chairman of the BoR, had some comments on the draft Minutes of the 11th Administrative Board regarding the roles of the CEER and ACER and argued against the need to include the summary of the external survey. The Minutes of the 11th Administrative Board meeting were amended and approved.

3. Report on the written procedures

The Director reported on the two written procedures that had taken place since the last Administrative Board meeting. They concerned the 2013 Budget and the Implementing Rules on Protecting the dignity of the persons and preventing psychological harassment and sexual harassment and the Administrative inquiries and disciplinary procedures. All of them were successful.

4. Report on ACER developments (including REMIT, monitoring pursuant to Art. 11 Regulation (EC) No 713/2009, and on the activities of the Board of Regulators, Capacity Markets)

The Director made a presentation on the Agency's progress. The Agency's establishment plan for 2013 is 49 temporary agents and 72 staff members in total (including contract agents and SNEs). He also indicated that by the end of 2014 the Agency would need 98 temporary agents and 121 in total to be able to fulfil its extended mission (including the new tasks assigned to it by REMIT and the new TEN-E Regulation). Currently there is 59 staff in office and 8 positions are advertised. The Agency has 18 nationalities. He underlined the high percentage of SNEs working at the Agency and mentioned the Agency's efforts to rebalance.

In terms of regulatory activities, all Electricity Framework Guidelines (FGs) were adopted; the Agency received 4 Network codes (NCs) and issued 2 Reasoned Opinions and 1 Qualified Recommendation. The NC Capacity Allocation and Congestion Management, which is central for the integration of electricity markets in Europe, was received in September 2012. The Agency issued a Reasoned Opinion in December 2012, ENTSO-E then resubmitted a new version of the NC. The Agency, still unsatisfied, submitted a Qualified Recommendation on 14 March 2013.

In Gas, only one FG – on Harmonised Transmission Tariff Structures -, out of the four included in the initial priority list, still remains to be issued, but the European Commission recently requested that the Agency expands the scope of these FG to include rules on the harmonisation of national cost allocation methods. This could postpone the process for 6-8 months.

Since the last AB meeting, the Agency adopted opinions on the ENTSO-E's Winter Outlook Report 2012/3 and Summer Review 2012 and on the ENTSOG's 2011 Annual Report.

The Market Monitoring Report this year will be jointly branded by CEER and ACER, the work has already started and the report should be released in November. It would focus on barriers to internal market (retail prices, access to the network, including renewables, and consumer protection). The NRAs have already committed 80 expert working days on the drafting of the report.

One Board member underlined that the European Parliament is very interested in this activity, so ACER could present the report to the ITRE committee at an early opportunity. The EP would also appreciate some advice of the Agency on how to vote in the comitology when it needs to give its assent to the network codes. The Agency could thus informally provide advice to the EP.

The advisor from the Commission raised some questions regarding the implication of a decentralised agency in Comitology procedure. A discussion took place.

The Board member appointed by the EP explained that the EP would like to get a better and more focused consultation. In the case of the Agency, the EP expects the Agency to provide early warnings on what is going on when it is expected to give its official position - it only has 3 months to elaborate on the work that had taken on years. Moreover, the external evaluation report of the Agency already included a recommendation to include short citizens' summaries for each of the network codes. The adviser from the Commission on the other hand underlined the Agency's size; its resources should be used wisely. In her view, the EP has its own study capacity and a large study budget. Lord Mogg, representative of the BoR, argued strongly in favour of the regulators carrying out this consultancy; and of the need for transparency and collaboration with the stakeholders.

The Director then presented the timeline regarding the REMIT implementation. ACER is currently preparing two public consultations: on Draft technical reporting standards and on draft ACER RRM (registered reporting mechanism) and RIS (registered information supplies) Guidelines. The third edition of the ACER Guidance on the application of REMIT will be out in Q3 2013. He presented the REMIT tendering situation and showed screenshots from the first prototype of the monitoring tool.

He continued reporting that after the political agreement on the new TEN-E Regulation which was reached at the end of November 2012, the EP adopted it on 12 March and the Council should approve it on 21 March so that it would enter into force in June 2013. The Agency has started the early implementation of the TEN-E Regulation already in October and has carried out the following activities: preparatory PCI selection process, participation in the Regional Groups meetings, development of a dedicated area on ACER website with NRAs and ACER contacts comprising all electricity and gas corridors, development of checklists (online tool) for facilitating common bases for assessments to develop the initial NRA opinions on PCI candidates, development of formats for the NRAs opinions, and the checking of consistency on the responses to the checklists.

According to the new TEN-E Regulation, the Agency will have to perform the following additional tasks:

- to check, if necessary (the main responsibility rests with NRAs) the consistent application of the criteria/CBA methodology and evaluate the cross-border relevance of proposed PCIs within a region and present their assessment to the Regional Group;
- to provide an opinion on the draft regional lists of the (electricity and gas) PCIs, in particular on the consistent application of the criteria and the cost-benefit analysis across regions - within 3 months;
- to provide an opinion on the ENTSOs methodologies for a harmonised energy system-wide CBA at Union-wide level - within 3 months;
- to monitor the implementation of PCIs and to submit to the regional groups a consolidated report on PCIs (which can include recommendations);
- to facilitate the sharing of good practices and to make recommendations on incentives and common methodology to evaluate the incurred higher risks of investments in electricity and gas infrastructures – by December 2013.

The Director updated the Board on recent contacts with the ITRE Committee. The Agency issued its Opinion on Capacity Markets on 15 February. The Opinion was presented to the ITRE Committee on 20 February and on 6 March 2013 the meeting with the ITRE ACER Contact Group took place.

5. Amendment of AB Decision 21/2001 on reimbursement of BoR expenses

The Director explained that the AB Decision 21/2001, on rules for the reimbursement of expenses to BoR members attending BoR meetings, included some rules that, upon implementation, revealed unnecessary complications, i.e. the insistence to travel as close as necessary to the meeting. The proposed amendment includes more flexibility and it does not affect the costs for the Agency, because the only cost reimbursed to the BoR members attending BoR meetings is the cost of travel. Moreover, the new proposal includes the possibility for the Agency to reimburse the proxies of the BoR Members.

Action: The Board adopted the Amendment (ANNEX 1).

6. Roadmap on the follow-up to the Common Approach on EU decentralised agencies

The Director said that the Commission has developed the Roadmap for the implementation of the Common Approach on the EU Agencies by the Council, the EP and the Commission. What exactly will be the consequences for ACER remains to be seen. The adviser from the Commission explained that the Commission's Roadmap should be implemented on the first occasion of the revision of the Agency's founding Regulation. She presented the Common Approach and underlined that it comprises of 45 actions that need to be implemented.

The main novelty is point 59 saying that an alert/warning system can be activated by the Commission if there are serious reasons for concern when an Agency Management Board is about to take decisions violating EU law – the Commission can warn the EP and the Council in such cases. The approach of the review of the Agencies Regulations will be on a case by case basis. The AB Member appointed by the said that in EP's view many of the Common Approach elements were already included in the Agency's founding Regulation.

The Director underlined that in case of insistence to adopt common governance for all Agencies this would importantly raise the cost of ACER Administrative Board meetings compared to their current cost.

7. Estimate of Revenue and expenditure for 2014

The Director presented its preliminary draft Budget for 2014, which is the basis for the estimate of revenue and expenditure to be made by the Board, as well as the proposal for the latter.

The Chair noticed an important difference in the amount when compared with the 2013 financial year. The Director explained that the estimate is based on the assumption that the Agency will be required to operate REMIT by early in 2014, and therefore it will have to recruit the expert staff required for effective market monitoring. The staff additions are presented in the MSPP 2014 – 2016. The possibility of operating REMIT in 2014 obviously rests on the Agency being able to complete REMIT implementation already in 2013 and therefore on the assumptions, indicated in recital 6, that the Agency will be assigned sufficient additional financial means (in the amount of €3 million), already this year. The BoR provided its positive opinion on the estimate.

A thorough discussion took place. Two Members supported the raising of the estimate to €18 million (for €3 million) for 2014, on the basis of earlier promises from the Commission yet to be fulfilled. The Commission warned that in the draft budget sent by the Director to the Commission the estimated amount was €15 million. The Commission will take its decision on the draft EU budget by end of April 2013. It would be difficult to pursue double approaches for additional budgetary resources.

Action: The Board adopted the Estimate of revenue and expenditure for 2014 with an amendment in recital 6 (ANNEX II).

8. Work Programme 2013 - Possible review following the EU Budget Decision

The Director presented the note listing the negative priorities, i.e. activities which will have to be postponed, if the Agency will not receive the necessary financial resources. A question on the external assessment of the Agency (Article 34 of the Regulation (EC) No 713/2009), which is due in 2013 was also raised.

The advisor from the Commission explained that they first need to assess the Director for whom the procedure has been launched already. The next step is to launch the evaluation of the Agency.

The Director concluded that if the Agency does not receive the necessary financial resources by June 2013, he will propose a review of its Work programme at the next AB meeting in June.

9. Work Programme 2014 - Priorities

The Director presented the deliverables envisaged for 2014, subject to the resources being available to the Agency. The Agency is still waiting for the Commission to provide a list of priorities concerning Framework guidelines and Network codes.

The Director also presented the process of adopting the Work programme 2014: On the request of the ITRE Committee an early presentation of the Work programme outline is scheduled on 29 May. On 6 June a workshop is planned in Ljubljana on the outline of the Work programme, after which stakeholders will be able to submit comments by 18 June. The Draft Work programme will be submitted by the Director by 30 June. The BoR Chair also informed the Board that CEER is developing its Work programme for next year in parallel to ACER's.

10. Follow up to the external survey

Lord Mogg explained that as a result of the external evaluation commissioned by the Agency, the BoR had an internal discussion regarding its follow up. The CEER was engaged in a similar exercise. He underlined that a lot of work was already done in this respect.

The Director said that whereas Lord Mogg steered the discussion in the BoR on the issues that concerned it, his note is more related to the Agency's internal work and it also covers the relations with stakeholders and working with the NRAs. The idea of the note is to inform the Board by highlighting issues where improvement can be and are being made. In his view, in some cases the perceptions in the external evaluation were not accurate.

11. MSPP 2014-2016 (*)

The Agency has not received the comments from the Commission by the start of the meeting of the Administrative Board. The advisor of the Commission proposed to postpone the decision to June. The (EC) Regulation 713/2009 however stipulates that the draft establishment plan should accompany the estimate of revenue and expenditure which should be transmitted by the Administrative Board to the Commission by 31 March.

Action: The Chairman declared the urgency and decided that a written procedure will be launched for the decision on MSPP 2014-2016.

12. Information about the budget transfers in 2012

The Director presented the list of the budgetary transfers that were made in 2012. It was agreed that these transfers will be presented on an annual basis (always at the March meeting) to the Board.

13. Submission of Declarations of Interest for 2013

The Chairman informed the Board that during this year's request for the submission of Declarations of Commitment and Interest, Mr Rickett, appointed by the Council, resigned. The Chairman will send a letter to the Council to follow up on the new appointment. Although the two Commission representatives are covered by the Staff Regulations, they have nevertheless submitted the declarations for good practice. The Board agreed that the Declarations of Commitment and Interest should be annually submitted by the end of March.

Action: Mr Tostmann was selected as the Board Member who would be assessing, along with the Director and the Chair or Vice-Chair, the declarations of the Chairs and Vice-Chairs of the Administrative Board and the Board of Appeal. The Secretary of the Board will send a reminder to those that have still not submitted their declarations. Then the examination process will begin.

14. New ACER Premises – Update on the process

The Director reported that the deadline for submitting the offers for new ACER premises is 8 April. He said that the Agency is also involving other EU Agencies - FRONTEX and EUROJUST in its tendering procedure. The Slovenian government is also assisting. He underlined that this is an important project for the Agency.

In the meantime, the Agency raised the exception to the financial rules and the staff will be staying this year in the current premises. Lord Mogg added that CEER offices in Brussels will soon move to new premises near Merode and therefore the ACER liaison office, hosted by CEER, will also move.

AOB

Annual Conference

The Director informed that the Annual conference entitled Energy Markets: 2014 and Beyond will take place on 17 May in Ljubljana. It will be opened by the Slovenian President, Commissioner Oettinger will also attend. He presented the main parts of the programme and informed that the Florence Electricity forum will also hold its meeting in Ljubljana that week. The Secretariat of the Administrative Board will send further information about the conference.

Next meeting

The Chairman informed the Board that the next meeting will be held in the premises of the Polish TSO on 13 June. The formal information will follow after Easter.

ANNEX 1



**DECISION AB no 6/2013
OF THE ADMINISTRATIVE BOARD
OF THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS**

of 20 March 2013

**ON THE REIMBURSEMENT RULES OF
TRAVEL EXPENSES FOR BOARD OF REGULATORS MEETINGS AND
REPEALING DECISION AB n° 21/2011**

THE ADMINISTRATIVE BOARD OF THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

HAVING REGARD to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators (hereinafter 'Agency')¹, and, in particular, Article 13 thereof,

Whereas:

- (1) Decision AB No 21/2011 of 22 September 2011 laid down the rules on the reimbursement of travel expenses incurred by the attendees to the meetings of the Board of Regulators.
- (2) Ever since, the Agency has gained considerable experience in the application of such rules. Based on this experience, it has become apparent that it is necessary to adopt new rules that would make the procedure for the reimbursement of travel expenses occurred by participants to the meetings of the Board of Regulators more efficient and expeditious,

HAS DECIDED:

¹ OJ L 211, 14.8.2009, p. 1.

Article 1

The travel expenses incurred by members of the Board of Regulators, alternate members or a duly mandated proxy shall be reimbursed by the Agency according to the rules listed in Annex I.

Article 2

Decision AB n° 21/2011 of 22 September 2011 is hereby repealed.

Article 3

This decision shall enter into force on the day following that of its adoption.

Done at Ljubljana, on 20 March 2013

For the Administrative Board:

Piotr Woźniak

Chairman of the Administrative Board of the Agency

Annex to the Decision AB n° 06/2013

GUIDE FOR THE REIMBURSEMENT OF TRAVEL EXPENSES TO BOARD OF REGULATORS MEETINGS

1. GENERAL REIMBURSEMENT RULES

- 1) The Agency reimburses travel expenses to representatives of the National Regulatory Authorities (NRA Representatives) attending meetings of the Board of Regulators (BoR).
- 2) Only one Representative per NRA is entitled to reimbursement of travel costs. The Chair will be reimbursed in addition to the Representative from the same NRA attending the BoR meeting. The NRA Representative can be the Member of the BoR or the Alternate member or a duly mandated proxy. The proxy should provide a power of attorney which should be sent in advance of the meeting to the Secretariat of the BoR.

- 3) The NRA Representative entitled to reimbursement should arrange their travel in a way that is compliant with sound financial management, i.e. in the most economical way possible in terms of time and money.
- 4) For each NRA Representative, travel expenses are reimbursed between the location of the seat of the NRA and the location of the venue where the BoR meeting takes place. In the case of a NRA Representative combining travel to attend a BoR meeting with other travel arrangements, travel expenses can be reimbursed from/to a location different from the seat of the NRA, provided that such expenses do not exceed the cost of travel from/to the location of the seat of the NRA, according to the rules defined in this Guide. In this case, the NRA Representative shall provide, together with the reimbursement form, a statement from the travel agency/airline indicating, for comparison purposes, the cost of travel, according to the rules defined in this Guide, between the location of the seat of the NRA and the location of the venue where the BoR meeting takes place. If this statement is not provided, or does not ensure an appropriate comparison according to the rules defined in this Guide, the Agency will run its own comparison and use it as a reference.
- 5) The time of arrival at the location of the venue where the BoR meeting takes place and the time of departure from the same location should be as reasonably close as possible to the respective starting and finishing times of the BoR meeting or of any other associated event of regulatory interest and/or closely related to BoR activities. Earlier arrival times at the location of the venue where the BoR meeting takes place and/or later departure times from the same location are admissible, provided that they do not result in higher reimbursement costs for the Agency.
- 6) For the purpose of confirming meeting attendance, the meeting secretary shall keep an attendance list which must be signed by the NRA Representative. If a NRA Representative does not attend the meeting, no reimbursement shall be made.
- 7) The NRA Representative must declare any reimbursement of travel expenses received for the same meeting from other sources.
- 8) The NRA Representative must inform the Agency in advance, possibly at least 10 days before the BoR meeting, via the meeting secretary, of any instances that may prevent him/her from complying with the rules defined in this Guide. At the same time, the NRA Representative should request authorisation for any derogation from these rules. The Agency will consider requests for derogations from the rules on a case-by-case basis and may authorise them when duly justified.
- 9) Travel expenses are reimbursed to the NRA on the bank account specified by the NRA in the financial identification form submitted to the Agency, as established in Sections 3.1.2 and 3.1.3 below.
- 10) This Guide does not apply to the representative of the European Commission and to representatives of the NRAs of third countries that may be invited to participate in BoR meetings.

2. TRAVEL ARRANGEMENTS

2.1. Travel by air

- 1) Air travel is admissible if the distance between the location of the seat of the NRA and the location of the venue where the BoR meeting takes place exceeds 400 km (by rail) or if the journey takes more than four hours by train (using the fastest service) or involves a sea crossing.
- 2) When travelling by air, the NRA Representative is entitled to the reimbursement of travel expenses not exceeding the cost of a non-flexible economy class flight ticket. Reimbursement of travel expenses for flights booked in business class or at a higher fare is limited to the economy class return fare calculated according to rules defined in this Guide, unless:
 - a) the journey by air involves a flight of 4 hours or more without stopovers, or
 - b) exceptional circumstances can be invoked. In such a case, the NRA Representative shall request the prior authorisation by the Authorising Officer at the Agency for any derogation from the rules defined in this Guide. Supporting documents shall be provided at the time of requesting the authorisation to demonstrate that the derogation is made necessary by circumstances beyond the control of the NRA or the NRA Representative. Late booking of travel by the NRA Representative or his/her NRA does not represent a circumstance justifying a derogation, unless the Agency requests the presence of the NRA Representative at very short notice, for example within a week before the meeting.
- 3) Exceptionally travel expenses can be reimbursed up to the cost of a flexible economy class ticket if the NRA Representative demonstrates that she/he reasonably requires flexibility.
- 4) The Authorising Officer at the Agency may scrutinise particularly closely any request for reimbursement involving abnormally expensive flights. He/she shall have the right to carry out any checks that might be needed and to request any proof from the NRA Representative required for this purpose.

The Authorising Officer has the right, where he/she considers that the use of abnormally expensive flights is not justified, to restrict reimbursement to the rates normally applied for travelling between the location of the seat of the NRA and the location of the venue where the BoR meeting takes place.

2.2 Travel by sea

If transport including a ferry crossing is more economical than transport by air in terms of time and money, a 1st class return ticket for the ferry crossing is reimbursed. The cost of on-board cabin accommodation for night crossings is reimbursed, as long as the total cost of the journey between the location of the seat of the NRA and the location of the venue where the BoR meeting takes place does not exceed the reimbursable expenses for traveling by air on the same route.

2.3 Travel by rail

If the distance between the location of the seat of the NRA and the location of the venue where the BoR meeting takes place exceeds 400 km (by rail) and if the journey by train takes more than four hours (using the fastest service), or if transport including a rail journey is more economical than transport by air in terms of time and money, the cost of a 1st class return rail ticket is reimbursed. The cost for seat reservations is also reimbursed. For overnight travel, the cost of sleeper accommodation is reimbursed.

2.4 Travel by car

1) When the NRA Representative chooses to use his/her own vehicle, the reimbursement shall be made at a rate of EUR 0.22 per km for the distance between the location of the seat of the NRA and the location of the venue where the BoR meeting takes place and vice-versa. The distance is determined by the “fastest route” distance as calculated by the Michelin route planner ViaMichelin. Other expenses (motorway tolls, ferry crossing etc.) involved in the “fastest route” indicated by the Michelin route planner ViaMichelin will also be reimbursed on presentation of the corresponding supporting documents.

When the NRA Representative chooses to use a hired vehicle, with or without a driver, the cost is reimbursed, provided that it does not exceed the reimbursable expenses for traveling by air on the same route.

2) Costs incurred for using a private car to drive to and from a station/airport, including parking fees, will not be reimbursed.

3) Persons using their own vehicle or a hired vehicle will remain fully liable for any accidents in which they may be involved during the trip.

2.5 Local transport

Local transport and transfers to/from the airport/rail station at the place of the meeting and place of origin, including taxi fares, will not be reimbursed.

3. ADMINISTRATIVE RULES AND PROCEDURE

3.1. Documentation required

3.1.1. Application form for reimbursement

For each meeting, an application for reimbursement shall be filled in, dated and signed by the NRA Representative requesting the reimbursement.

3.1.2. Financial identification form

Travel expenses are only reimbursed to the NRA on the Bank account specified by the NRA in the financial identification form submitted to the Agency. A financial identification form fully completed and duly signed must be submitted prior to the first request for reimbursement. The forms to be used can be found in all EU languages on the following web-site:

http://ec.europa.eu/budget/execution/ftiers_en.htm

3.1.3. Legal Entity File

In order to register a new legal entity, the completed and duly signed Legal Entity File form for the NRA must be submitted. The forms to be used can be found in all EU languages on the following web-site:

http://ec.europa.eu/budget/execution/legal_entities_en.htm

The NRA Representative is not required to fill in a Legal Entity File form as long as its NRA has not altered its bank account details.

3.1.4. Supporting documents for reimbursement

Prior to the first reimbursement, NRAs have to submit the financial identification form and the Legal Entity File form as indicated under paragraphs 3.1.2. and 3.1.3.

For each meeting, an application for reimbursement shall be filled in, dated and signed by the NRA Representative requesting the reimbursement and submitted in original together with supporting documents. Travel expenses shall be reimbursed on the presentation of the original round trip tickets or invoices, or the printout of the electronic reservation in case of online bookings.

The documents supplied must clearly indicate the name of the person travelling (for air travel), the class of travel used, the time of travel and the actual price paid.

The original boarding cards are not required if the other supporting documents provided contain all the information necessary to process the reimbursement request.

Supporting documents proving that the journey took place by car do not have to be submitted together with the request of reimbursement whenever it is considered reasonable to use the car on the distance travelled. However supporting documents must be provided for the reimbursement of other expenses related to the use of the car, such as highway tolls and ferry crossings.

3.2. Time limit for claiming reimbursement

The NRA Representative should provide the meeting secretary with all the necessary documents for reimbursement before leaving the meeting, whenever possible. If for some reason this is not possible, the NRA Representative shall send the duly signed reimbursement form and the required supporting documents at the latest within 30 calendar days of the date of the meeting to the meeting secretary indicated in the invitation. If, by this deadline, not all the necessary documents have been received, the Agency will proceed with payment based on the documents available, if any.

The Agency will inform the participant concerned about any cancellation or restriction of payment due to lack of information provided within the deadline.

3.3. Method of reimbursement

Reimbursement of expenses will be made by bank transfer only to the Bank account specified by the NRA in the financial identification form submitted to the Agency. When the order for payment is made, the Agency shall indicate the name and date of the meeting and the NRA Representative name in the reference field.

3.5. Events outside the influence of the Representative

In the case of flight, train or ferry cancellations that are outside the influence of the NRA Representative, the Agency may compensate additional travelling costs incurred subject to justification and where not covered by the carrier and/or travel insurance.

3.6. Refund of unduly paid sums

The recipient will be required to refund any sums paid in error or if received from other sources.

ANNEX 2

DECISION AB n°7/2013

of 20 March 2013

ON THE ESTIMATE OF REVENUE AND EXPENDITURE OF THE AGENCY FOR THE 2014 FINANCIAL YEAR

THE ADMINISTRATIVE BOARD OF THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

HAVING REGARD to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators² (hereinafter referred to as the “Agency”), and, in particular, Article 23(1) thereof,

HAVING REGARD to the reasoned opinion of the Board of Regulators on the preliminary draft ACER budget for 2014, attached to this decision,

Whereas:

² OJ L211 14.8.2009, p.1.

- (1) The European Council, on 4 February 2011, confirmed that *“safe, secure, sustainable and affordable energy contributing to European competitiveness remains a priority for Europe”* and that *“the EU needs a fully-functioning, interconnected and integrated internal energy market”*. In this context, the Council set targets for the completion of the internal energy market by 2014 and the removal of energy islands by 2015.
- (2) Since its establishment, pursuant to Regulation (EC) No 713/2009, the Agency has been assigned additional tasks and responsibilities, notably by Commission Regulation (EU) No 838/2010 of 23 September 2010 on laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging³ and Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency⁴ (hereinafter referred to as "REMIT").
- (3) REMIT provides for the monitoring of wholesale energy markets by the Agency in close collaboration with National Regulatory Authorities.
- (4) The establishment of the European register of market participants and the acquisition and processing, for monitoring purposes, of the records of transactions to be provided by market participants, or by other persons or authorities acting in their behalf, require the development of dedicated IT platforms and data exchange protocols.
- (5) The full monitoring system under REMIT should become operational six months after the adoption by the Commission of the Implementing Acts on the records of transactions. Such adoption is expected early in 2014 at the latest.
- (6) The estimate of expenditure and revenue is made on the condition that additional funds in the amount of approximately €3 million will be available to the Agency as soon as possible in 2013 to substantially complete the development of its dedicated IT platforms and data exchange protocols; therefore the 2014 budget includes provisions for the maintenance of the REMIT-related IT system and to cover the additional staff required for operating the market monitoring system under REMIT in the second half of 2014.
- (7) The new Regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC⁵ (hereinafter “TEN-E Regulation”) envisages additional tasks for the Agency, including in the process for the identification of Projects of Common Interest (PCIs) and the monitoring of the development of such projects.
- (8) The new TEN-E Regulation is expected to enter into force by mid-2013 and the first list of PCIs is expected to be defined and adopted by the end of the year. Therefore, the new TEN-E Regulation requires intensive activities during 2013, in which the Agency will be substantially involved, even though at present no additional resources are envisaged for these activities. In fact, preparatory work already started in late 2012 and continued while the Regulation was in the legislative process.

³ OJ L250, 24.9.2010, p.5.

⁴ OJ L326, 8.12.2011, p.1.

⁵ COM(2011)0658 – C7-0371/2011 – 2011/0300(COD), adopted by the European Parliament on 12 March 2013.

- (9) The 2014 budget also covers the new staffing for the implementation of the Agency's tasks under the new TEN-E Regulation.
- (10) The provisions in both REMIT and the new TEN-E Regulation are instrumental for the achievement of the targets set by the European Council in February 2011.
- (11) The Agency already benefits from the support of the National Regulatory Authorities, both in terms of experts being provided for the working groups established by the Agency and as seconded national experts, and logistically, through the provisions, free of any charge, of the facilities for the Agency's office in Brussels.
- (12) On the basis of a forecast of the activities which the Agency will be called to perform in 2014, including for the implementation of REMIT and of the new TEN-E Regulation, a preliminary draft budget for the 2014 Financial Year has been drawn up by the Director pursuant to Article 23(1) of Regulation (EC) No 713/2009.
- (13) On the basis of the above-mentioned preliminary draft budget prepared by the Director, and taking into account the reasoned opinion of the Board of Regulators, the Administrative Board shall make an estimate of revenue and expenditure of the Agency for the following financial year, pursuant to Article 23(1) of Regulation (EC) No 713/2009.
- (14) This estimate should be sent by the Administrative Board to the European Commission by 31 March 2013.

HAS DECIDED that:

The estimate of revenue and expenditure of the Agency for the 2014 Financial Year amounts to 15,525,320 € (euro).

The breakdown of this estimate into the various components of revenue and expenditure can be found in the Annex to this decision.

This decision shall enter into force on the day following that of its adoption.

Done at Ljubljana, on 20 March 2013.

For the Administrative Board:

Piotr Woźniak

Chairman of the ACER Administrative Board

Annex I: ACER Draft Budget 2014

Title Chapter	Heading	EU contribution	Assigned revenue 2012 surplus	Total budget 2014
		€s	€s	€s
TITLE 1	EXPENDITURE RELATING TO STAFF AND RESOURCES			
CHAPTER 11	STAFF IN ACTIVE EMPLOYMENT	9,354,012	517,614	9,871,626
CHAPTER 12	MISSIONS AND DUTY TRAVEL	167,808	9,286	177,094
CHAPTER 13	SOCIOMEDICAL INFRASTRUCTURE	45,503	2,518	48,021
CHAPTER 14	SOCIAL SERVICES	20,087	1,112	21,200
	TOTAL TITLE 1	9,587,411	530,529	10,117,941
TITLE 2	AGENCY'S BUILDING AND ASSOCIATED COSTS			
CHAPTER 20	AGENCY'S PREMISES COSTS	1,364,456	75,504	1,439,960
CHAPTER 21	DATA PROCESSING	377,605	20,895	398,500
CHAPTER 22	MOVABLE PROPERTY AND ASSOCIATED COSTS	124,605	6,895	131,500
CHAPTER 23	CURRENT ADMINISTRATIVE EXPENDITURE	855,727	47,352	903,079
CHAPTER 24	COMPUTER INFRASTRUCTURE TELECOMMUNICATION AND POSTAGE	206,569	11,431	218,000
	TOTAL TITLE 2	2,928,962	162,077	3,091,039
TITLE 3				
CHAPTER 30	REPRESENTATION EXPENSES	30,000	0	30,000
CHAPTER 31	OPERATIONAL MISSIONS	396,200	0	396,200
CHAPTER 32	STAKEHOLDER INVOLVEMENT, PUBLIC RELATIONS AND V	314,600	0	314,600
CHAPTER 33	TRANSLATIONS	60,540	0	60,540
CHAPTER 34	PROFESSIONAL INDEMNITY	15,000	0	15,000
CHAPTER 35	REMIT OPERATIONS	1,500,000	0	1,500,000
	TOTAL TITLE 3	2,316,340	0	2,316,340
	TOTAL BUDGET 2014	14,832,714	692,606	15,525,320

Annex II: ACER Detailed Draft Budget for the Financial Year 2014

Title Chapter Article Item	Heading	EU subsidy	Assigned revenue 2012 surplus	Total budget for the Financial year 2014	Remarks
9	REVENUE				
90	ANNUAL INCOME				
901	Subsidy from the EU general budget			14,832,714	This represents the annual operating subsidy from the European Union budget.
902	Others			692,606	Other revenue including assigned revenue of year N-2.
	CHAPTER 9 0 — TOTAL			15,525,320	
	TITLE 9 — TOTAL			15,525,320	
	GRAND TOTAL			15,525,320	
	EXPENDITURE				
1	EXPENDITURE RELATING TO STAFF AND RESOURCES				
11	STAFF IN ACTIVE EMPLOYMENT				
110	Temporary staff holding a post provided in the establishment plan				
1100	Basic salaries and correction	5,524,240	305,689	5,829,930	Staff Regulations of officials and Conditions of employment of other servants of the European Communities, and in particular Articles 62 and 66 thereof. This appropriation is intended to cover basic salaries and corrections for temporary staff.
1101	Family allowances	738,254	40,852	779,106	Staff Regulations of officials of the European Communities, and in particular Articles 62, 67 and 68 thereof and section I of Annex VII thereto. This appropriation is intended to cover the household, dependent child and education allowances for temporary staff.
1102	Expatriation and foreign residence allowances	651,844	36,070	687,915	Staff Regulations of officials of the European Communities, and in particular Articles 62 and 69 thereof and Article 4 of Annex VII thereto. This appropriation is intended to cover the expatriation and foreign-residence allowances for temporary staff.
	Article 1 1 0 — Total	6,914,339	382,612	7,296,951	
111	Other agents				
1110	Contract agents	281,040	15,552	296,592	Conditions of employment of other servants of the European Communities, and in particular Article 4 and Title IV thereof. This item is intended to cover the remuneration and the employer's share of social security contributions for contract agent staff.
1111	Seconded National Experts	682,120	37,746	719,866	Various Seconded National Experts are placed at ACER to fulfil the need for assistance to the agency's work programme. This appropriation includes their daily and monthly allowances.
	Article 1 1 1 — Total	963,161	53,297	1,016,458	
112	Further training, retraining and information for staff				
1120	Training and information for staff	202,511	11,206	213,717	Staff Regulations of officials of the European Communities, and in particular the third paragraph of Article 24 a) thereof. This also includes costs related to missions for training events and trainer expenses.
	Article 1 1 2 — Total	202,511	11,206	213,717	
113	Insurance against sickness, accidents and unemployment				
1130	Insurance against sickness	137,988	7,636	145,624	Staff Regulations of officials of the European Communities, and in particular Article 72 thereof. Rules on sickness insurance for officials of the European Communities, and in particular Article 23 thereof. This appropriation is intended to cover the employer's contribution and the official's contribution of the basic salary.
1131	Insurance against accidents and occupational disease	36,222	2,004	38,226	Staff Regulations of officials of the European Communities, and in particular Article 73 thereof. This appropriation is intended to cover the employer's contribution to insurance against accidents and occupational disease (0,875 % of the basic salary).
1132	Unemployment insurance for temporary staff	46,673	2,583	49,255	Council Regulation (ECSC, EEC, Euratom) No 2799/85 of 27 September 1985 amending the Staff Regulations of officials of the European Communities and the Conditions of employment of other servants of the European Communities. This appropriation is intended to insure temporary staff against unemployment.
	Article 1 1 3 — Total	220,883	12,223	233,106	

Title Chapter Article Item	Heading	EU subsidy	Assigned revenue 2012 surplus	Total budget for the Financial year 2014	Remarks
114	Miscellaneous allowances and grants				
1140	Birth and death grants	1,879	104	1,983	Staff Regulations of officials of the European Communities, and in particular Articles 70, 74 and 75 thereof. This appropriation is intended to cover: — the childbirth grant, — Death allowances payable in the event of the death of an official.
1141	Annual travel expenses from the place of work to origin	88,216	4,881	93,097	Staff Regulations of officials of the European Communities, and in particular Article 8 of Annex VII thereto. This appropriation is intended to cover the payment to staff members in each calendar year of a sum equivalent to the cost of travel from the place of employment to the place of origin for themselves and, if they are entitled to the household allowance, for the spouse and dependants.
1142	Schooling fees	238,891	13,219	252,110	This appropriation is intended to cover the additional schooling fees incurred by staff members for their children's education.
	Article 1 1 4 — Total	328,985	18,205	347,190	
115	Overtime				
1150	Overtime			p.m.	Staff Regulations of officials of the European Communities, and in particular Article 56 thereof and Annex VI thereto. This appropriation is intended to cover flat-rate payments or hourly-rate payments for overtime worked by temporary agents in categories AST 1 - AST4 whom it has not been possible to compensate by flexi-hours.
	Article 1 1 5 — Total	0	0	0	
116	Expenses on entering and leaving the service and on transfer				
1160	Expenditure related to Recruitment	182,486	10,098	192,584	Staff Regulations of officials of the European Communities, and in particular Articles 27 to 31 and 33 thereof. This appropriation is intended to cover the expenditure involved in recruitment procedures.
1161	Travel expenses taking up duty	75,905	4,200	80,105	Staff Regulations of officials of the European Communities, and in particular Articles 2 and 71 thereof and Article 7 of Annex VII thereto. This appropriation is intended to cover the travel expenses of staff (including members of their families) entering or leaving the service.
1162	Installation, resettlement and transfer allowances	194,375	10,756	205,131	Staff Regulations of officials of the European Communities, and in particular Articles 20 and 71 thereof and Article 9 of Annex VII thereto. This appropriation is intended to cover the removal costs of staff obliged to change residence after taking up their appointment or when transferred to a new place of work or when they definitively cease their duties and settle elsewhere.
1163	Temporary daily subsistence allowances	126,843	7,019	133,862	Staff Regulations of officials of the European Communities, and in particular Articles 20 and 71 thereof and Article 10 of Annex VII thereto. This appropriation is intended to cover the daily subsistence allowances due to staff able to prove that they were obliged to change their place of residence after taking up their duties (including transfer).
	Article 1 1 6 — Total	579,610	32,073	611,683	
117	Supplementary services				
1170	Supplementary clerical and interim services	94,757	5,243	100,000	This appropriation is intended to cover the services provided by interim agents employed to cover staffing needs where the establishment plan does not cover requirements
1171	Administrative Assistance	49,767	2,754	52,521	This appropriation is intended to cover the administrative assistance received from PMO in processing the salaries of temporary agents and contract agents.
	Article 1 1 7 — Total	144,524	7,997	152,521	
	CHAPTER 1 1 — TOTAL	9,354,012	517,614	9,871,626	

Title Chapter Article Item	Heading	EU subsidy	Assigned revenue 2012 surplus	Total budget for the Financial year 2014	Remarks
12	MISSIONS AND DUTY TRAVEL				
120	Mission expenses, travel expenses and incidental expenditure				
1200	Mission expenses Administrative staff	53,409	2,955	56,364	This appropriation is intended to cover expenditure related to mission of the Administrative department.
1201	Mission expenses - Director	69,599	3,851	73,450	This appropriation is intended to cover expenditure related to the missions of the Director.
1202	Mission expenses Director office staff	44,801	2,479	47,280	This appropriation is intended to cover expenditure related to missions of the Director office staff.
	Article 1 2 0 — Total	167,808	9,286	177,094	
	CHAPTER 1 2 — TOTAL	167,808	9,286	177,094	
13	SOCIOMEDICAL INFRASTRUCTURE				
130	Medical service				
1300	Medical services and equipment	45,503	2,518	48,021	Staff Regulations of officials of the European Communities, and in particular Article 59 thereof and Article 8 of Annex II plus purchase of medical supplies and equipment.
	Article 1 3 0 — Total	45,503	2,518	48,021	
	CHAPTER 1 3 — TOTAL	45,503	2,518	48,021	
14	SOCIAL SERVICES				
140	Social services				
1400	Special assistance grants			p.m	This item is intended to cover assistance in the form of cash which may be granted to an official, former official or survivors of a deceased official who find themselves in difficult circumstances.
1401	Social welfare of staff	11,371	629	12,000	This appropriation is intended to cover expenditure by the Agency on the social welfare activities of its staff, including schooling informative events.
	Article 1 4 0 — Total	11,371	629	12,000	
141	Staff Committee				
1410	Staff Committee	8,718	482	9,200	This appropriation is intended to cover the costs such as missions or other administration costs of the Staff Committee representing the staff of ACER.
	Article 1 4 1 — Total	8,718	482	9,200	
	CHAPTER 1 4 — TOTAL	20,088	1,112	21,200	
	TITLE 1 — TOTAL	9,587,412	530,529	10,117,941	
2	AGENCY'S BUILDING AND ASSOCIATED COSTS				
20	AGENCY'S PREMISES COSTS				
200	Rental costs				
2000	Rent	852,809	47,191	900,000	This appropriation is intended to cover the rental costs of ACER premises.
2001	Removal costs	5,685	315	6,000	This appropriation is intended to cover the costs related to the removal of furniture and equipment to new premises.
	Article 2 0 0 — Total	858,494	47,506	906,000	
201	Utilities and Services				
2010	Utilities	204,674	11,326	216,000	This appropriation is intended to cover the utility costs like: water, gas, electricity, waste collection.
2011	Cleaning and maintenance	130,991	7,249	138,240	This appropriation is intended to cover the costs of cleaning and maintenance of the premises.
	Article 2 0 1 — Total	335,666	18,574	354,240	
202	Insurance				
2020	Insurance	9,476	524	10,000	This appropriation is intended to cover the insurance policy premiums including insurance of the building occupied by ACER and its assets.
	Article 2 0 2 — Total	9,476	524	10,000	

Title Chapter Article Item	Heading	EU subsidy	Assigned revenue 2012 surplus	Total budget for the Financial year 2014	Remarks
203	Security of buildings and persons				
2030	Security and surveillance of buildings	100,745	5,575	106,320	This appropriation is intended to cover expenditure on buildings connected with security and safety in particular loss, theft, unauthorized use or access, and other internal or external threats.
2031	Health and safety at work	7,960	440	8,400	This appropriation is intended to cover for the costs of health and safety issues at the work place.
	Article 2 0 3 — Total	108,705	6,015	114,720	
204	Other expenditure on buildings				
2040	Other expenditure on buildings	47,378	2,622	50,000	This item is intended to cover expenditures on buildings, renovations and refurbishment including the upgrade and maintenance of existing facilities.
2041	Audio & Video equipment-maintenance	4,738	262	5,000	This appropriation is intended to cover the repair and maintenance costs of audio/video equipment.
	Article 2 0 4 — Total	52,116	2,884	55,000	
	CHAPTER 2 0 — TOTAL	1,364,456	75,504	1,439,960	
21	DATA PROCESSING				
210	Equipment, data processing equipment and operating costs				
2100	Consumables	12,792	708	13,500	This appropriation is intended to cover the cost of consumables.
2101	Software	56,854	3,146	60,000	This appropriation is intended to cover the purchase/licensing of software.
2102	Subscriptions IT	213,202	11,798	225,000	This appropriation is intended to cover the subscription costs to various support services and shared applications such as ABAC, Business Objects, ABAC Assets etc.
2103	Disaster recovery site	94,757	5,243	100,000	This appropriation is intended to cover the expenditure related to the establishment and maintenance of a disaster recovery site.
	Article 2 1 0 — Total	377,605	20,895	398,500	
	CHAPTER 2 1 — TOTAL	377,605	20,895	398,500	
22	MOVABLE PROPERTY AND ASSOCIATED COSTS				
221	Purchase, hire, maintenance and repair of furniture				
2210	Purchase of furniture	33,165	1,835	35,000	This appropriation is intended to cover the purchase of furniture.
	Article 2 2 1 — Total	33,165	1,835	35,000	
222	Transportation				
2220	Transportation costs	22,268	1,232	23,500	This appropriation is intended to cover the costs of parking, cabs and hire of vehicles.
	Article 2 2 2 — Total	22,268	1,232	23,500	
223	Documentation and library expenditure				
2230	Library Acquisitions	69,172	3,828	73,000	This appropriation is intended to cover the purchase of hard copies or electronic material, e.g. books, reference works or CD's etc. to support and strengthen the knowledge of the agency.
	Article 2 2 3 — Total	69,172	3,828	73,000	
	CHAPTER 2 2 — TOTAL	124,605	6,895	131,500	
23	CURRENT ADMINISTRATIVE EXPENDITURE				
230	Stationery and office supplies				
2300	Stationery and office supplies	33,165	1,835	35,000	This appropriation is intended to cover the purchase of paper and office supplies.
	Article 2 3 0 — Total	33,165	1,835	35,000	
231	Financial charges				
2310	Bank charges	227	13	240	This appropriation is intended to cover bank charges in relation to the bank accounts held by the agency.
	Article 2 3 1 — Total	227	13	240	

Title Chapter Article Item	Heading	EU subsidy	Assigned revenue 2012 surplus	Total budget for the Financial year 2014	Remarks
232	Legal expenses				
2320	Legal expenses	18,951	1,049	20,000	This appropriation is intended to cover legal costs and the services of lawyers or other experts.
2321	Expert consultations	497,472	27,528	525,000	This appropriation is intended to cover the expert consultation costs of ACER.
	Article 2 3 2 — Total	516,423	28,577	545,000	
233	Other operating expenditure				
2330	Administrative Board meetings	37,903	2,097	40,000	This appropriation is intended to cover the costs for the members of the Administrative Board participating to meetings during the year.
2331	Regulators Board meetings	191,256	10,583	201,839	This appropriation is intended to cover the costs for the members of the Regulatory Board participating to meetings during the year.
2332	Board of Appeal meetings	41,693	2,307	44,000	This appropriation is intended to cover the costs for the members of the Appeal Board participating to ACER meetings during the year and the costs of the secretarial support.
2333	External Participants to meetings	23,689	1,311	25,000	This appropriation is intended to cover the costs of external participants to meetings organised by ACER.
2334	EU Agencies Network	11,371	629	12,000	This appropriation is intended to cover the costs of the liaison office in Brussels of the coordination of EU agencies and the IAAN meeting.
	Article 2 3 3 — Total	305,911	16,928	322,839	
	CHAPTER 2 3 — TOTAL	855,727	47,352	903,079	
	COMPUTER INFRASTRUCTURE TELECOMMUNICATION AND POSTAGE				
24	Postal charges				
2400	Postal charges	11,371	629	12,000	This appropriation is intended to cover expenditure on postal and delivery charges, including parcels.
	Article 2 4 0 — Total	11,371	629	12,000	
241	Telecommunications				
2410	Telecommunications subscriptions and charges	104,232	5,768	110,000	This appropriation is intended to cover all telecom related running costs, including fixed lines, mobile telephones and Internet access.
	Article 2 4 1 — Total	104,232	5,768	110,000	
242	Equipment and Computer infrastructure				
2420	Hardware and other equipment	90,966	5,034	96,000	This appropriation is intended to cover the purchase of hardware and other equipment for new post holders.
	Article 2 4 2 — Total	90,966	5,034	96,000	
	CHAPTER 2 4 — TOTAL	206,569	11,431	218,000	
	TITLE 2 — TOTAL	2,928,962	162,077	3,091,039	
3	OPERATIONAL EXPENDITURE				
30	REPRESENTATION EXPENSES				
300	Entertainment and Representation expenses				
3000	Representation expenses	30,000	0	30,000	This appropriation is intended to cover costs relating to representation on behalf of ACER.
	Article 3 0 0 — Total	30,000	0	30,000	
	CHAPTER 3 0 — TOTAL	30,000	0	30,000	

Title Chapter Article Item	Heading	EU subsidy	Assigned revenue 2012 surplus	Total budget for the Financial year 2014	Remarks
31	OPERATIONAL MISSIONS				
310	Missions				
3100	Operational Missions - Gas Department	145,000	0	145,000	This appropriation is intended to cover costs of missions related to operational issues of the Gas department.
3101	Operational Missions - Electricity Department	151,200		151,200	This appropriation is intended to cover costs of missions related to operational issues of the Electricity department.
3102	Operational Missions - Market Monitoring Department	100,000		100,000	This appropriation is intended to cover costs of missions related to operational issues of the Market Monitoring department.
	Article 3 1 1 — Total	396,200	0	396,200	
	CHAPTER 3 1 — TOTAL	396,200	0	396,200	
32	STAKEHOLDER INVOLVEMENT, PUBLIC RELATIONS AND WEBSITE				
320	Stakeholder Involvement, Public Relations & Website				
3200	Public hearings, workshops, conferences	153,600	0	153,600	This appropriation is intended to cover the cost of public relations activities including workshops organised by ACER.
3201	Website set-up and maintenance	60,000	0	60,000	This appropriation is intended to cover the costs of setting-up and maintenance of the website as primary communication tool with external party in the co-operation process.
3202	Publications, information material	71,000	0	71,000	This appropriation is intended to cover the cost of promotional material informing the public on ACER's activities.
3203	Reports production	30,000	0	30,000	This appropriation is intended to cover costs relating to the production and distribution of agency's reports.
	Article 3 2 0 — Total	314,600	0	314,600	
	CHAPTER 3 2 — TOTAL	314,600	0	314,600	
33	TRANSLATIONS				
330	Translation of documents				
3300	Translation at CDT	60,540	0	60,540	This appropriation is intended to cover the translation of materials or other operational needs of ACER.
	Article 3 3 0 — Total	60,540	0	60,540	
	CHAPTER 3 3 — TOTAL	60,540	0	60,540	
34	PROFESSIONAL INDEMNITY				
340	Liability Insurance				
3400	Insurance	15,000	0	15,000	This appropriation is intended to cover the liability insurance costs.
	Article 3 4 0 - Total	15,000	0	15,000	
	CHAPTER 3 4 - TOTAL	15,000	0	15,000	
35	REMIT OPERATIONS				
350	REMIT Operations				
3500	REMIT hosting service	360,000	0	360,000	This appropriation is intended to cover the expenditure related to the REMIT hosting services.
3501	REMIT applications development	360,000	0	360,000	This appropriation is intended to cover the expenditure related to the development of REMIT applications.
3502	REMIT monitoring software	570,000	0	570,000	This appropriation is intended to cover the expenditure related to REMIT monitoring software.
3503	REMIT consultancy	210,000	0	210,000	This appropriation is intended to cover the expenditure related to consultancy services for REMIT.
	CHAPTER 3 5 - TOTAL	1,500,000	0	1,500,000	
	TITLE 3 — TOTAL	2,316,340	0	2,316,340	
	GRAND TOTAL	14,832,714	692,606	15,525,320	

BOARD OF REGULATORS OPINION no 01/2013

ON THE PRELIMINARY DRAFT BUDGET FOR 2014 FINANCIAL YEAR

HAVING REGARD to Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009, establishing a European Agency for the Cooperation of Energy Regulators (hereafter referred to as "Regulation (EC) No 713/2009" and the "Agency", respectively), and, in particular, Article 23(1) thereof;

HAVING REGARD to Decision 01/2010 of the Board of Regulators adopting its Rules of Procedure (hereafter referred to as the "Rules of Procedure") as modified by Decision 03/2012 and, in particular, Article 6 thereof;

HAVING REGARD to the Director's preliminary draft budget for 2014 financial year submitted for the Board of Regulators, pursuant to Article 23(1), and providing the basis for the estimate of revenue and expenditure of the Agency for the 2014 financial year to be prepared by the Administrative Board;

HAVING REGARD to the draft Multi-annual Staff Policy Plan 2014-2016 prepared by the Director accompanying the preliminary budget.

WHEREAS

(1) The Agency's tasks under Regulation (EC) No 713/2009 complement and coordinate the work of National Regulatory Authorities. The Agency participates in the creation of European network rules; takes binding individual decisions on terms and conditions for access and operational security for cross border infrastructure and on exemptions, subject to certain conditions; gives advice to the European Institutions on various energy issues; monitors and reports developments of the energy markets.

(2) The European Council, on 4 February 2011, confirmed that "safe, secure, sustainable and affordable energy contributing to European competitiveness remains a priority for Europe" and that "the EU needs a fully-functioning, interconnected and integrated internal energy

market". In this context, the Council set targets for the completion of the internal energy market (IEM) by 2014 and the removal of energy islands by 2015.

(3) Some of the Agency's tasks under Regulation (EC) No 713/2009, notably with regard to the creation of European network rules, must not only continue vigorously but also be intensified in 2014 in the light of the IEM completion target. Moreover, the Agency's efforts should also be targeted at the early implementation of projects and further market integration notably through the Regional Initiatives. This has been reflected in the Commission's Communication¹ on the IEM which recognises that there are challenges that need to be tackled urgently in order to complete the internal energy market by 2014 and that the Commission will, as a matter of priority, ensure the further development of well-functioning, cross-border, wholesale markets in all timeframes by developing network codes. During 2014 the Agency will be called to provide *inter alia* Reasoned Opinions and/or Recommendations on 3 Network Codes in electricity and 1 Network Code in gas, as well as to provide advice and support on Network Codes during the comitology process, as appropriate and prepare for and monitoring of the implementation of those Network Codes adopted.

(4) ACER is also expected to continue to promote regional initiatives to play a prominent role in early implementation of the Network Codes. Regional Initiatives should help, *inter alia*, to put in place coordinated auctions of a common set of bundled capacity products in gas and to progress on the pan-European market coupling in electricity.

(5) REMIT acknowledges that efficient market monitoring at Union level is vital for detecting and deterring market abuse on wholesale energy markets and that the Agency is best placed to carry out such monitoring as it has both a Union-wide view of electricity and gas markets, and the necessary expertise in the operation of electricity and gas markets and systems in the Union. A well-functioning and transparent wholesale energy market is a precondition to give consumers confidence that prices fairly reflect the interplay of demand and supply and are not distorted by abusive behaviour.

¹ 15.11.2012, COM (2012) 663 final, Communication from the Commission to the European Parliament, the Council and the European economic and Social Committee and the Committee of the Regions "Making the internal energy market work".

(6) To perform its monitoring activities, the Agency will have to collect trading and fundamental data from wholesale energy markets and undertake an initial assessment and analysis to identify cases where there is ground to believe that breaches of the prohibitions in REMIT have occurred. Such cases will then be notified to the National Regulatory Authorities (NRAs), which have a comprehensive understanding of developments on energy markets in their Member State, and which are responsible for the formal investigation and enforcement. Close cooperation and coordination between the Agency and national authorities is, therefore, essential to ensure proper monitoring and transparency of energy markets and effective enforcement of the prohibitions under REMIT. However, most NRAs currently have little experience or no experience of monitoring market abuse and of collecting wholesale data on a continuous basis, as required under REMIT. The cooperation and coordination between the Agency and NRAs can deliver the expected synergies and benefits only if the Agency is able to perform the monitoring activities assigned to it in a highly effective manner as possible. Therefore, the Agency will need to secure the appropriate human resources and IT tools to fulfil its monitoring mission.

(7) The Agency is also called to establish and manage the European register of market participants, as well as to arrange access to monitoring data by NRAs and other authorities, ensuring operational reliability and professional secrecy. This requires the development of dedicated IT platforms and data exchange protocols.

(8) The draft estimate of expenditure and revenue is based on the assumption that funds will indeed be available to the Agency during 2013 to progress substantially in the development of the REMIT-related IT infrastructure. The 2014 budget includes provisions for the completion and maintenance of the REMIT-related IT infrastructure and to cover the additional staff required for the market monitoring.

(9) Since its establishment, the Agency has been assigned additional tasks and responsibilities, notably by the Regulation of the European Parliament and of the Council on Guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC (hereinafter referred to as "TEN-E Regulation"). These new tasks including in the process of development of the CBA methodology, the selection of projects of common interest and their implementation, have important resource implications.

(10) The NRAs participate in and provide significant expertise to the work of the Agency in the Working Groups which comprise NRAs' representatives and Agency's staff. NRAs also provide, through the Council of European Energy Regulators, significant support to the Agency (including administrative support for and servicing of the Agency Working Groups and hosting the Agency's liaison office in Brussels). The CEER particularly values the coordination of its activities with those of ACER and the service to the members of the Board of Regulators by the Agency's liaison office in Brussels and, therefore, commits to continue its support for the coming year.

- Pursuant to Article 6 of the Rules of Procedure, the Board of Regulators HAS ADOPTED, on the basis of the above-mentioned considerations, the following REASONED OPINION on the preliminary draft budget of the Agency for the financial year 2014, prepared by the Director pursuant to Article 23(1) of the Agency Regulation:

The Board considers that the preliminary draft budget is well balanced and proportionate to the wide range of activities that the Agency will be called to perform in 2014.

More specifically, the Board agrees that the preliminary draft budget for the 2014 Financial Year, of 15,525,320 € (euro) is in line with the requirements of the Agency for that year. The increase of the budget for the 2014 Financial Year with respect to the adopted 2013 Budget is fully justified notably in respect of the completion of the implementation of REMIT and the staffing of the monitoring of wholesale energy markets, and the additional tasks assigned to the Agency by the TEN-E Regulation.

The Board considers it essential that the Agency is provided with the necessary human resources, of adequate expertise, to undertake its monitoring activities under REMIT in the most effective manner. The Agency and the National Regulatory Authorities will mutually explore possible synergies of their cooperation and coordination. However, it should be noted that National Regulatory Authorities, which will themselves face additional responsibilities under REMIT, are also subject to resource limitations. Furthermore, NRAs cannot commit to bear the responsibilities of the Agency for monitoring the European market given their responsibilities mainly for their national market. More specifically, the Board endorses the Director's estimate that 35 FTE additional staff will be required to operate market monitoring under REMIT, starting in the second half of 2014 (the full

monitoring under REMIT becomes operational six months after the adoption by the Commission of the Implementing Acts on the records of transactions).

The Board considers it essential that the Agency is not only provided with the necessary human resources but resources which have adequate expertise to undertake both the REMIT responsibilities and the additional tasks assigned to it by the new TEN-E Regulation. Thus substantial reinforcement of the Agency capability in the TSO Cooperation area (with an additional 14 PTE positions in total for both Electricity and Gas Departments) is needed.

The Board, therefore, welcomes the increase in the amount in Title 1, and in particular Chapter 11, to cover personnel costs, in view of the need of the Agency to recruit the extra staff required performing the new tasks under REMIT and the TEN-E Regulation.

The Board of Regulators also welcomes:

The sum of 1,500,000€ allocated to REMIT operation, to cover the costs of maintaining the REMIT-related IT tools;

the increase in the amount allocated to cover the costs of expert consultations (amounting to 525,000€ compared to 400,000€ in 2013), provisioned separately from the cost for consultancy services for REMIT;

the increase in the amount allocated to cover the costs of workshops and public hearings (compared with the 2013 budget). This corresponds to the intensified activities of the Agency including in new areas which require the appropriate involvement of stakeholders.

The Board of Regulators, therefore, endorses the MASPP 2014-2016 which reflects the staffing requirements for the Agency to perform its tasks and responsibilities under the Third Legislative Package, as expanded by REMIT and the new TEN-E Regulation.

Ljubljana, 20 March 2013,

For the Board of Regulators

Lord Mogg, Chair of the Board of Regulators