

**Final review of the Agency's Work Programme for 2013
as adopted by the Administrative Board on 5 September 2012**

The 2013 Work Programme of the Agency was adopted by the Administrative Board on 5 September 2012, after being approved by the Board of Regulators on 4 September and following consultation with the Commission.

The 2013 Work Programme envisages, *inter alia*, activities related to the implementation of Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (REMIT) and of Regulation (EU) No 347/2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009 (TEN-E Regulation), which eventually entered into force on 15 May 2013.

Uncertainty and risks regarding the ability of the Agency to deliver on its Work Programme were highlighted in chapter 6.3 on pages 74-76. In particular:

- with respect to the activities related to the implementation of REMIT, the Work Programme indicated that “the Draft Budget for 2013 adopted by the European Commission on 25 April 2012 envisages financial resources for the Agency which will only support investment in IT systems in 2013 in the order of € 100,000. If additional financial resources were not to be made available to the Agency, the fulfilment of its tasks in this area as planned in this Work Programme would prove impossible”;
- with respect to the activities related to the implementation of the TEN-E Regulation, the Work Programme indicated that “the Agency may face the situation in 2013 of having to undertake tasks related to the implementation of TEN-E Regulation without having the required staff, with the risk of underperforming or not being able to deliver on its Work Programme (in the TEN-E Regulation area or in other areas, if reprioritisation of activities were to take place)”.

The EU Budget for 2013 was adopted on 12 December 2012. For the Agency the allocated amounts mirrored the Commission's draft budget and envisaged a contribution to the Agency of € 7,369,795 which, together with the assigned revenues from the 2011 surplus, led to a total budget of € 8,941,220. This was approximately € 3 million lowerⁱ than the draft Agency Budget adopted by the Administrative Board on 30 March 2012. On 19 December 2012, the Administrative Board adopted the 2013 Budget of the Agency in line with the contribution from the EU Budget. A final adjustment of the contribution to the Agency from the EU Budget was adopted by the budgetary authority (BA) during the trilogue meeting on 16 October 2013 (ARES reference: (2013)3273892 - 17/10/2013). This

ⁱ €12,028,851

amendment increases the contribution to the Agency by €2,989 million, bringing its 2013 budget to €11,930,220 million. This amount should satisfy the Agency's requirement to implement its planned REMIT activities in spite of the late allocation of financial resources.

Table displaying the Agency's budget as planned in its Work Programme 2013 and its final budget as adjusted by the Budgetary Authority on 16 October 2013.

Agency's estimate of expenditure made by the Administrative Board on 30 March 2012 and reflecting the activities envisaged in the Work Programme 2013	€12,028,851	€98,631 differenceⁱⁱ
Final Agency's budget as adjusted by the Budgetary Authority during the trilogue meeting on 16 October 2013	€11,930,220	

With respect to the activities related to the TEN-E Regulation, the Work Programme highlighted the risks of the Agency having to undertake such activities in 2013, mainly in the area of the identification of the Projects of Common Interest, without being assigned the required additional human resources, estimated in 12-14 FTEs.

The TEN-E Regulation entered into force on 15 May 2013 without any additional human resources granted to the Agency for its implementation in 2013.

Table illustrating the Agency's human resources as planned in its Work Programme 2013, final Agency human resources end of 2013

Agency's human resources as allocated to the envisaged activities in the Work programme 2013	TOTAL: 81 FTEs (including 10 FTEs for TEN-E related tasks)				
Final Agency human resources in 2013	TOTAL: 72 FTEs				

ⁱⁱ As the first tender for the new ACER premises was not successful, the existing contract, which expired on 1 February 2013, based on the MSPP 2011-2013, had to be extended to 1 February 2014. This delay led to savings for the Agency for the amount of €98,631.

In view of the above constraints:

- 1) the Agency has had to reprioritise its activities in 2013 in order to be able to perform some of the tasks assigned to it by the TEN-E Regulation. This has been done while preserving those tasks instrumental to the completion of the internal energy market by 2014 and the removal of energy islands by 2015. However, given that most of the activities of the Agency for 2013 fulfil legal obligations, in many cases with strict deadlines, the scope for such a reprioritisation has been fairly limited and the Agency has been forced to postpone at least one of the tasks assigned to it by the TEN-E Regulation.

In particular, the following tasks have been postponed and included in the 2014 Annual Work programme:

- 1.) *Scoping for the Framework Guidelines on harmonisation of national tariff structures and regulatory framework for investments^{iiiiv} in electricity networks.*

Planned resources: 0.5 SNE; 0.5 TA

- 2.) *Best Practices Guidelines on Exemptions for Major New Gas Infrastructure (practical recommendations and policies directed towards the NRAs for their exemption decisions under Article 36 of the Gas Directive)^v.*

Planned resources: 0.5 TA

- 3.) *Facilitate the sharing of good practices and make recommendations on incentives and risk assessment methodology^{vi}.*

Planned resources: 2 TAs

Total staff made available by deprioritised tasks: 3 TAs and 0.5 SNE= 3.5 FTE

The resources made available by the postponement of the above activities are only a minor fraction of the additional requirements related to the new tasks assigned to the Agency by the TEN-E Regulation.

In addition, the Agency internally reallocated some of the resources^{vii} originally allocated to activities which the Agency is required to perform on demand and for which requests have so far not been received. It is to be noted that following the suggestion of the Commission, even though the Agency has not yet been requested to execute these activities, some staff

ⁱⁱⁱ Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009.

^{iv} Page 76-77 of the 2013 Work Programme adopted by the Administrative Board.

^v Page 90-91 of the 2013 Work Programme adopted by the Administrative Board.

^{vi} Page 104-105 of the 2013 Work Programme adopted by the Administrative Board.

^{vii} A total redeployment is not possible as the Agency has to monitor developments in these areas to ensure that, if requested, it is ready to perform its role within the tight timeline stipulated by the relevant provisions.

have been performing monitoring and training activities to familiarise them with the Commission procedures in this area.

- 1.) *On demand, decision on terms and conditions and operational security of cross-border interconnectors, when requested jointly by the concerned NRAs or when the concerned NRAs fail to take a decision within a predefined period (6 months, with possible extension)*

Planned resources: 1 TA; Actual resources: 0.5 FTE

- 2.) *Opinion upon request of the Commission on decisions of national regulatory authorities on TSO certification*

Planned resources: 0.5 TA; Actual resources: 0.5 FTE

- 3.) *Decisions on specific cases related to terms and conditions for access to cross-border interconnections and exemptions*

Planned resources: 2 TAs; Actual resources: 0.5 FTE

- 4.) *Decisions on the investment request, including cross-border cost allocation and the way investment costs are reflected in tariffs, either upon request of the NRAs involved or if they fail to reach an agreement*

Planned resources: 2 TAs; Actual resources: 0.5 FTE

Total staff made available from non-requested tasks: 3.5 TAs = 3.5 FTE

Total internally reallocated staff from deprioritised (3.5 FTE) and non-requested tasks (3.5 FTE): 7 FTEs

The table illustrates the required amendment of the allocated staff as planned in the Work Programme 2013, emanating from the above reprioritisation of Agency's tasks and internal reallocations. The staff categories (TA, CA and SNE) have been translated to FTEs for ease of reference.

DELIVERABLE	STAFF RESOURCES ASALLOCATED IN THE WORK PROGRAMME 2013	AMENDED ALLOCATED RESOURCES, EMANATING FROM REPRIORITISATION AND REALLOCATION
Print publications: Annual Report 2012	0.2 CA	0.2 FTE

Print publications: 2012 Regional Initiatives Status Review Report	0.4 CA	0.4 FTE
Print publications: 2011 Market Monitoring Report	0.2 CA	0.2 FTE
Events: Annual conference	0.2 CA	0.2 FTE
Events: Market Monitoring seminar	0.2 CA	0.2 FTE
Events: Workshop on the presentation of the draft Work Programme 2014	0.2 CA	0.1 FTE
Internal communication strategy update		0.1 FTE
Staff satisfaction with internal communication	0.2 CA	0.2 FTE
Improvement of the Agency intranet to make it a tool to support internal communication	0.2 CA	0.2 FTE
Internal newsletter	0.2 CA	0.2 FTE
Premises	2TAs, 1 CA short term	3 FTE
Human Resources Activities	2TAs, 1 CA (short term)	3 FTE
Budget Implementation and Audit	3TAs, 3 CAs	6 FTE
ICT Development	4 TAs	4 FTE
Regulatory Cooperation	8 TAs	8 FTE
Potential Framework Guidelines on harmonisation of national tariff structures and regulatory framework for investments	0.5 SNE, 0.5 TA	Reprioritised
Reasoned Opinions on the Network Codes on operational security, operational planning and scheduling and load-frequency control and reserves	1 TA	1 FTE
Reasoned Opinion on the network code on DSO and industrial load grid connection rules in electricity	0.5 TA	0.5 FTE

Reasoned opinion on the Network Code on long-term (forward) capacity allocation	0.5 TA	0.5 FTE
Reasoned Opinion on the Network Code on electricity balancing	0.5 TA	0.5 FTE
Two strands: (a) Annual monitoring report on the implementation and management of the ITC fund in 2012 (b) Proposal to the European Commission on the annual Cross-Border infrastructure compensation sum, and an opinion as to suitability of using long run average incremental costs for the assessment	0.5 SNE	0.5 FTE
Opinion on the appropriate range or ranges of transmission charges paid by producers for the period after 1 January 2015	0.5 TA	0.5 FTE
Opinion on the electricity national ten-year network development plans to assess their consistency with the Community-wide network development plan Report on monitoring the implementation of the electricity Community-wide network development plans and the progresses as regards the implementation of projects to create new interconnector capacity Opinion on ENTSO-E's draft Scenario Outlook & Adequacy Forecast 2013 as component part of the electricity Community-wide network development plan 2014 Monitoring the regional cooperation of transmission system operators with regard to electricity regional investment plans as component part of the electricity Community-wide network development plan 2014	1 TA	1 FTE
Reasoned Opinion on the Network	1 SNE	1 FTE

Code on Balancing Rules		
Reasoned Opinion on Network Code on interoperability and data exchange rules	1 TA	1 FTE
Reasoned Opinion on the Network Code on harmonised transmission tariff structures	1 SNE, 1.5 TA	2.5 FTE
Best Practices Guidelines on Exemptions for Major New Gas Infrastructure (practical recommendations and policies directed towards the NRAs for their exemption decisions under Article 36 of the Gas Directive)	0.5 TA	Reprioritised
Opinion or reasoned opinion with recommendations on the gas Community-wide ten-year network development plan Reviews and recommendations on national ten-year network development plans with regard to their (in)consistency with the Community-wide network development plan Report on monitoring the implementation of the Community-wide network development plan and on the progress with the implementation of investment projects to create new interconnector capacity Monitoring the regional cooperation of transmission system operators with regard to regional investment plans	2 TAs	2 FTE
Annual Market Monitoring Report	Electricity: 1 TA, 3 SNEs Gas: 1 TA, 2 SNEs	7 FTE
Report to the European Commission on the execution of the tasks of ENTSO-E and ENTSO-G referred to in Art. 8(1), (2) and (3) of Regulation (EC) 714/2009 and Regulation (EC) 715/2009	1 TA	1 FTE
Coordination and monitoring of activities for the parallel early	1 TA	1 FTE

implementation of Network Codes		
Agency Regional Initiatives Annual Status Review Report	Electricity: 1 TA Gas: 1 TA	2 FTE
On-line quarterly reports on the activities of the Electricity Regional Initiative On-line quarterly reports on the activities of the Gas Regional Initiative	Electricity: 1 TA Gas: 1 TA	2 FTE
Opinion on the consistent application of the criteria and the CBA methodology for submitted projects and evaluation of their European added value [electricity transmission and storage projects, gas projects, electricity smart grid projects] ^{viii}	2 TAs	0
Opinion on the consistent application of the criteria and the CBA across regions [electricity transmission and storage projects, gas projects, electricity smart grid projects]	4 TAs	3 FTE
Opinion on the methodology for a harmonised energy system-wide cost-benefit analysis at Union-wide level for PCIs in the categories set out in points 1(a) to (d) and 2 [electricity transmission and storage projects, gas projects]	2 TAs	0.5 FTE
Facilitate the sharing of good practices and make recommendations on incentives and risk assessment methodology	2 TAs	0.5 FTE
Opinions on ENTSO-E's and ENTSO-G's annual work programmes Opinions on ENTSOs' annual reports Opinions on ENTSOs' common network operation tools including a common incidents classification scale, and research plans	1 TA	1 FTE

Despite the fact that the Agency did not receive additional resources, these tasks have been performed through a reprioritisation of activities and an internal reallocation of staff, also in light of the extra effort from resources allocated to other tasks.

^{viii} This activity was initially planned on the basis of the draft of the Regulation (EU) No 347/2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009 (TEN-E Regulation) available at the time of adoption of the Work Programme. The activity was excluded from the final text of the Regulation.

Opinions on ENTSOs' annual summer and winter outlooks Opinions on ENTSOs' recommendations relating to the coordination of technical cooperation between Community and third-country transmission system operators		
On demand, decision on terms and conditions and operational security of cross-border interconnectors, when requested jointly by the concerned NRAs or when the concerned NRAs fail to take a decision within a predefined period (6 months, with possible extension)	1 TA (0.5 for electricity, 0.5 for gas)	0.5 FTE (0.5 FTE Reallocated)
Opinion upon request of the Commission on decisions of national regulatory authorities on TSO certification	0.5 TAs (0.25 for electricity, 0.25 for gas)	0.5 FTE
Decisions on specific cases related to terms and conditions for access to cross-border interconnections and exemptions	2 TAs (1 for electricity, 1 for gas)	0.5 FTE (1.5 FTE Reallocated)
Opinions and recommendations in the areas of its competence, to Member States, National Regulatory Authorities, the European Parliament, the Council and the European Commission	1 TA	1 FTE
Opinions and Recommendations of its own initiative, whenever appropriate, for ensuring the proper functioning of the European Internal Energy Market	1 TA	1 FTE
Decisions on the investment request, including cross-border cost allocation and the way investment costs are reflected in tariffs, either upon request of the NRAs involved or if they fail to reach an agreement	2 TAs	0.5 FTE (1.5 FTE Reallocated)
Contributions in the context of the adoption of the REMIT Implementing Act	0.5 TA, 1.5 SNEs	2 FTE
Update of the Agency guidance on the application of REMIT definitions and	1 TA, 1 SNE	2 FTE

cooperation with NRAs, including at regional level			
Development of IT solutions for the registration of market participants	1 TA, 1 SNE (plus cooperation of IT office)	2 FTE	
Development of IT solutions for market surveillance, data collection, and data sharing between the Agency and NRAs of wholesale energy markets	1.5 TA, 0.5 SNEs plus constant cooperation from IT officers and procurement staff	2 FTE	
Definition of the wholesale energy market monitoring strategy for the effective implementation of REMIT (detection of instances of market abuse), including cooperation with ESMA	1 TA, 1 SNE	2 FTE	
Definition of mechanisms for sharing the information among the Agency, NRAs, ESMA and other authorities and of transparent rules for the dissemination of information	1 TA (plus cooperation from IT officers)	1 FTE	
The annual report on the Agency activities under REMIT	1 TA	1 FTE	
TOTAL	81 (TA, CA and SNE)	71 FTE ^{ix}	Total staff end of 2013: 72 FTE

Ljubljana, 4 December 2013

^{ix} The Agency has been unable to fill 1 SNE position.