Evaluation of the EU Agency for the Cooperation of Energy Regulators

Eurelectric response to the call for evidence

May 2026

Evaluation of the Agency for the Cooperation of Energy Regulators (ACER)

KEY MESSAGES

- As the complexity and relevance of electricity market integration increases, **Eurelectric supports ACER's role in promoting electricity policy coherence in the common European interest and providing transparent information about market functioning**.

- **ACER is an important source of transparency and foresight about cross-border electricity exchanges** and the progress of electricity market integration.

- To execute this role in the most market-relevant manner, **Eurelectric stresses the importance of continuously improving dialogue with market participants**, through earlier engagement in the policy process as well as better accounting of their feedbacks.

- In defining reporting obligations for market participants (e.g. REMIT), **ACER needs to minimise the administrative burden for market participants**. This can be achieved by preventing double reporting and avoiding unnecessary or disproportionate reporting items.

- **Market participants' feedback is key in ensuring that market coupling projects are implemented efficiently and within reasonable timelines**. In this regard, we welcome ACER's recent efforts to consider market feedback and to promote the involvement of market participants in the development of market coupling policy through our implication in the PCG and through bilateral exchanges and consider such practice should be reiterated and expanded in the future on topics with strong impacts for market participants.

- **Eurelectric fully supports ACER's role in coordinating electricity market stakeholders**. Recent events such as the Iberian blackout also demonstrate the need for ACER to guarantee an objective and balanced investigation into their causes and potential remedies.

- **Finally, Eurelectric believes that the strengthening of ACER's mandate in recent years has been justified insofar as it remains focused on improving coordination and delivery of pan-European projects, in full respect of the subsidiarity principle**. Sufficient transparency on ACER's internal decision-making should also be ensured.

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1. Integrated electricity markets support European prosperity

Eurelectric welcomes the opportunity to contribute to the European Commission's call for evidence evaluating the Agency for the Cooperation of Energy Regulators (ACER). ACER was established to facilitate the cooperation of national regulatory authorities (NRAs) in the context of electricity and gas market liberalisation and integration. This process, best illustrated by electricity market coupling, delivers billions of euros in social welfare every year and supports the build-out of clean generation sources, in line with European economic objectives and climate targets.

The success of electricity market integration rests on a common regulatory framework ensuring efficient and fair market functioning. Common rules for market access, transparency and market integrity also ensure a level playing field between electricity market participants across Europe. These rules are built on an inclusive policy process that brings together policymakers, regulated entities, regulatory authorities, and market participants. The structured processes governing the interaction of these different stakeholders are instrumental in keeping market rules updated and market relevant. Through continuous engagement, they also help fostering a sense of mutual trust and commitment to market integration.

ACER has rightfully played an increasingly prominent role in the promotion of cross-border electricity exchange and market integration at large through the adoption of methodologies, a monitoring function including data collection and reporting, as well as recommendations to policymakers regarding, for example, national implementation of network codes. A coordination body for energy regulators, ACER also facilitates investigations into market abuses and has obtained a limited competence to investigate suspected cases of market abuse with cross-border relevance. The level of the EU electricity market integration implies a centralised body on cross-border and pan-European issues, though these tasks need to be carried out while respecting the subsidiarity principle, according to which tasks should only be carried out at Union level if their objectives cannot be sufficiently achieved by Member States. In this regard, the prerogative of national regulatory authorities (NRAs) in relation to national electricity markets should be fully recognised. **Eurelectric is committed to the current functioning of EU electricity policy coordination and supports ACER's role as an independent and neutral stakeholder delivering technical expertise in the common European interest**.

2. ACER is a central source of expertise on electricity market integration

ACER plays an important role in providing transparency about European electricity markets through its monitoring mission and related reporting tasks. Yearly market monitoring and sectoral reports provide a unified source of information about diverse electricity markets, identifying challenges and outlining recommendations to policymakers. ACER’s fact-based analysis matters particularly in times of energy crisis. Indeed, ACER has played an important role in raising awareness about market fundamentals and in demonstrating the benefits of market coupling during the energy crisis.

ACER reports and dashboards also provide valuable information about the implementation status of electricity legislation, including EU-wide or regional methodologies and national terms and conditions. This information is crucial to understanding the extent to which EU rules are implemented and enforced. For example, the yearly report on transmission capacities made available for cross-zonal trade of electricity and the yearly reports on the progress of wholesale market integration provide transparency about key aspects of the internal electricity market.

It should however be ensured that the collection of information for the purpose of market monitoring and reporting is done in the most efficient way. In general, there remains room to improve the exchange of information that has already been reported. The flow of information, particularly between ACER and NRAs, should therefore be optimised in a way that does not affect market parties’ reporting channels. This is essential to avoid double reporting, especially when it comes to wholesale market transparency. Reporting tasks must avoid an increase in administrative burden for market participants, unless proven necessary and proportionate on a case-by-case basis.

Moreover, **Eurelectric insists that recommendations from ACER’s reports (either monitoring or policy reports) should not pre-empt a proper policy process executed in line with Better Regulation guidelines**. ACER’s role is to provide independent, technical expertise on electricity markets and to monitor progress in electricity market integration. Eurelectric recalls that decisions about market integration projects and individual policy measures need to follow due process and a diligent evaluation of benefits and costs, including full stakeholder involvement.

ACER's 2025 report on the development of peak shaving products under normal market circumstances is a good illustration of the need to fully evaluate policy options that are publicly debated.[1] The mandate for this report stems from the Electricity Market Design review, finalised in 2024. The conclusions of this report broadly reflected stakeholder input collected via an expert group and a public consultation, even if further involvement of the expert group in the interpretation of public consultation results would have been welcomed. Eurelectric also notes that the framing of questions in the public consultation was not sufficiently neutral. This example shows the need to subject policy options to an objective assessment. The benefits of market interventions should not be assumed; such expected benefits always need to be weighed against potential downsides in terms of market efficiency and investment certainty.

3. ACER is an essential vector of stakeholder coordination

ACER tasks regarding the development and implementation of network codes and guidelines include methodology approval, market guidance, and involvement in multilateral fora. These missions require deep market expertise on highly specific topics, justifying continuous engagement with TSOs, DSOs, NEMOs and market participants. In this context, Eurelectric welcomes recent efforts to consider market participants' views through expanded public consultations, stakeholder workshops, and greater transparency around ACER's analytical work.

ACER has also played an important and constructive role in contributing to coherence and coordination within an internal energy market otherwise shaped by different national regulatory perspectives. These developments have improved mutual understanding and added clear value to the EU regulatory framework and debate. With this momentum in mind, there remains room to further deepen and systematise the involvement of market participants across a broader range of topics. Earlier and more structured stakeholder engagement in the development of ACER deliverables and other market solutions can help ensure that regulatory decisions are firmly grounded in operational realities. Eurelectric believes that the Market European Stakeholder Committee (MESC), possibly complemented with more frequent ad hoc workshops or sub-working groups, could promote earlier engagement, increase transparency from both regulated entities and regulators around available policy options, and foster more open and substantive discussions on the respective pros and cons of policies.

Eurelectric stresses the need for an accurate representation of stakeholders' constraints in the planning of market coupling projects. In this regard, we welcome the suggestion made in ACER Recommendation No. 02/2026 that TCMs should include more details and justifications about their implementation deadline.

[1] ACER: Report on the impact of developing peak-shaving products on the Union electricity market under normal market circumstances, 10 July 2025, Link.

This safeguard would help achieve a realistic view of the time required for project completion and should consider the implementation steps to be undertaken by all stakeholders, including market participants. It also provides a better benchmark against which to assess delays encountered by regulated entities entrusted with tasks of European relevance.

Experience from recent technical debates about market coupling projects has demonstrated the added value of market participant feedback on operational specificities and practical limitations. When it comes, for example, to the exchange of balancing capacity through co-optimisation, such feedback would benefit from being more explicitly reflected in regulatory reasoning and communication.

More recent and ongoing discussions to improve fallback arrangements in case of SDAC decoupling provide a striking example of lacking stakeholder coordination, despite the considerable impact of fallback procedures on market participants' processes and market results in general. In this regard, Eurelectric welcomes ACER's efforts to improve market participants' involvement, notably through their inclusion in relevant discussions of the Pentalateral Coordination Group. Indeed, market participants need to fully understand the proposals made by NEMOs and TSOs, as well as their respective constraints, to provide relevant feedback to the discussion. Such initiatives should be applied more regularly, and even systematically on any topic with significant impacts on market participants. Moreover, ACER should promote harmonised solutions across regions where it improves the functioning of the internal electricity market.

The implementation of long-term flow-based allocation (LTFBA) in the Core and Nordic regions also illustrates a failure to adequately take market participants' feedback into account, and a tendency to set unbalanced implementation deadlines. Despite well-founded concerns raised at an early stage regarding the collateral burden – and despite existing solutions – the implementation timeline was set in such way that the first auction will take place without an appropriate solution in place. Eurelectric notes however that concerns voiced regarding low or zero capacities allocated at some borders, while initially discarded by ACER, was eventually taken into account in a second version of the related methodology.

Finally, the Iberian blackout has exposed weaknesses in the current governance framework, notably the absence of a clear separation between operational responsibilities and investigative authority. **Eurelectric therefore supports a stronger role for ACER in coordinating investigations into network incidents with view to ensuring a transparent, objective and inclusive process, as well timely data collection**. The current rules for the investigation of network incidents in SOGL and the ICS Methodology should be reviewed accordingly.

4. A clear balance of responsibilities for electricity market integration

The integration of electricity markets rests on the assumption that the coordination of national energy policies and the pooling of central market functions make the electricity system more efficient and resilient. The efficiency of this process rests on the allocation of tasks to the entities best equipped to execute them. For this reason, compliance with the principle of subsidiarity remains essential and helps avoid coordination failures and inadequate policy designs.

When applying this principle to market integration in the narrow sense, efficient governance requires a clear distribution of tasks between NRAs and ACER, on the one hand, and individual NEMOs/TSOs and collective entities such as ENTSO-E and the NEMO Committee, on the other hand. Regarding the latter, Eurelectric reiterates the need for a market coupling governance that is efficient, innovative and inclusive of market participants' considerations, safeguarding competition and transparency to deliver market coupling projects in time.

The distribution of competences between NRAs and ACER has recently seen shifts towards the European level, in line with the increasing relevance of cross-border electricity exchanges and the exercise of certain tasks at central level. In this regard, we note an ACER decision-making role on certain methodologies, and a stronger role in the investigation of market abuse suspicions.

Eurelectric welcomes the strengthening of ACER's mandate in the Clean Energy Package, including its supervisory role over ENTSO-E, the all-NEMO Committee and other regulated entities, provided that it remains focused on improving the coordination and delivery of pan-European projects. We also acknowledge the proposal in ACER's recommendation No. 02/2026 to grant ACER enforcement powers in case of non-compliance of ENTSO-E and RCCs. Considering the patchwork of different governance levels entrusted with tasks relevant to the functioning of the internal electricity market, Eurelectric believes that effective oversight mechanisms and sufficient incentives need to be in place to ensure robust implementation of the internal electricity market rules.

Nevertheless, we underline that subsidiarity and national prerogatives must be fully respected, and that a clear and seamless coordination between ACER and NRAs is of paramount importance. Eurelectric also stresses that ACER's independence from EU decisionmakers is essential to ensuring objective, credible and consistent policy. Consistency is particularly critical in a long-term-oriented industry, and we believe that ACER can support long-term strategic thinking with its technical expertise, thus contributing to the visibility and predictability of energy policy at the pan-European level, as long as effective stakeholder involvement is guaranteed.

Eurelectric further believes that transparency regarding ACER's internal functioning is critical, as it assumes new tasks and increases its budget. ACER's work programme should be more focused on its main policy and regulatory actions as well as project prioritisation. We also call for the publication of complete minutes and detailed votes from Board of Regulator discussions.

5. Conclusion: ACER needs to act where it matters

Eurelectric welcomes ACER's role as an independent European body providing indispensable expertise on European electricity market integration. As the complexity and relevance of the electricity system increases, its role in providing transparency and foresight based on deep market expertise is crucial. To execute this role in the most market-relevant manner, we stress the importance of continuous engagement and effective feedback loops with all concerned stakeholders.

ACER's role in coordinating pan-European electricity market integration is also needed to ensure that energy policy is consistent and aligned with the EU's long-term objectives. In this regard, we highlight the importance of respecting the principle of subsidiarity, which ensures that collective action is pursued where it brings added value. ACER plays a key role in coordinating different market stakeholders and defending the common European interest. Its role in support of NRAs should be calibrated appropriately to close regulatory gaps where persistent challenges have been identified.

While acknowledging the overall quality and usefulness of ACER's publications and consultation processes, we call for a more pragmatic and balanced regulatory approach at times. Eurelectric fully acknowledges recent efforts to improve stakeholder involvement. We believe that ACER's interaction with market participants can be further enhanced through earlier and deeper engagement, clearer substantiation of its policy choices, better transparency, and greater accountability, particularly for de facto binding guidance documents. Meaningful feedback on comments and further opportunities for open, in-depth dialogue through meetings, workshops and expert groups would be welcomed.

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent a total of +3500 companies in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:
- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

WG Market Integration & Network Codes

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