
Cover Note accompanying the launch of Public Consultation on the Results and Findings of the Regulation (EC) 1228/2003 Compliance Monitoring Second Report, 2008

On **17th September 2008**, ERGEG launches a public consultation on the second Monitoring Report on Compliance with the Regulation (EC) 1228/2003 (Regulation) and the amended Congestion Management Guidelines 2006/770/EC (CM Guidelines).

The document is available at: http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_CONSULT/OPEN%20PUBLIC%20CONSULTATIONS/2008%20Compliance%20Monitoring

The Regulation entered into force on 1st July 2004. The amended CM Guidelines according to Article 8 of the Regulation entered into force on 1st December 2006. In order to meet the requirements set in Article 9 of the Regulation and in Point 1.10 of the CM Guidelines and the **monitoring and reporting on compliance with Regulation and CM Guidelines is necessary**.

At the XIV Florence Forum in September 2007, the first Monitoring Report on Compliance with the Regulation and CM Guidelines prepared by ERGEG (First Compliance Report), was presented. The **key findings of the First Compliance Report indicated that compliance has not been achieved**.

The XIV Florence Forum requested ERGEG **resolve any outstanding issues regarding the interpretation of legal requirements in the Regulation and CM Guidelines**, in order to enable better and more precise monitoring and reporting in the Second Compliance Report. The Forum also concluded that the **Second Compliance Report should be more specific** and should allow European Commission to identify clearly to what extent the legal provisions of the Regulation and CM Guidelines have been met in Member States¹.

It is along these lines, that the Second Compliance Report has been prepared by ERGEG.

The **key findings of the Second Compliance Report show that the Regulation and the CM Guidelines have not yet been fully implemented**. However, **it should be acknowledged that much progress has been made since the First Compliance Report, especially within the realm of the Regional Initiatives**, which specifically are working to find solutions to the requirements set by the Regulation and the annexed CM Guidelines. The changes that are needed in processes applied by NRAs, TSOs and other stakeholders involved will take time and in some cases also amendments are needed in national legislation.

To support the process and foster rapid implementation of the changes which are needed, ERGEG has in the Second Compliance Report identified a number of **most critical instances of non-compliance** and suggested a number of **recommendations**.

Furthermore, since the changes and improvements required are of a complex nature and will depend on participation and full commitment of many European stakeholders, **it is necessary to achieve a wide understanding along the common lines of what needs to be done, when and by whom to improve the situation**.

¹ See XIV Florence Forum conclusions at http://ec.europa.eu/energy/electricity/florence/14_en.htm

EREGEG therefore invites proposals from all stakeholders on the following issues:

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| <ol style="list-style-type: none">1. Most effective and rapid actions achieving compliance where non-compliance and deviations from the legal provisions in the Regulation and the CM Guidelines have been identified.2. Suggestions on any further needs for more precise and detailed provisions in the Regulation and the CM Guidelines, possibly also beyond the findings in the Second Compliance Report |
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Any replies to this consultation should be received by **12 November 2008** and should be sent by email to **compliance@erggeg.org**

Any other questions to this document should in the first instance be directed to:

Mrs. Fay Geitona
CEER Secretary General
Email: fay.geitona@ceer.eu
Fax +32 2 788 73 50
Tel. +32 2 788 73 33