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## Press Release

### **The Visegrad 4 regulatory representatives discussed energy security with the director of ACER**

Ostrava, the Czech Republic – The representatives of energy regulatory authorities of the Czech Republic, Hungary, Poland, and Slovakia met yesterday with Alberto Pototsching, director of the Agency for the Cooperation of Energy Regulators (ACER), who also participated in the V4 meeting, in order to primarily discuss questions of energy security concerning not only their own countries but also the European Union, regarding the ongoing political crisis in Ukraine.

The V4 meeting in Ostrava was an initiative of Ms. Alena Vitásková, the chairwoman of the Czech Energy Regulatory Office (ERO), as a add on to the international expert conference organized by the ERO on new European rules on energy market abuse, their implementation and consequences on wholesale energy trading, or the REMIT.

The meeting was attended by representatives of regulators: Alena Vitásková, Alberto Pototschnig, Attila Nyikos, the Vice-president for international relations of the Hungarian Regulatory Office (HEA), Maciej Bando, the Chairman of the Polish Energy Regulatory Office (ERO) and Miroslav Čelinský, the Vice-chairman of the Regulatory Office for Network Industries (RONI).

"I wanted to make my colleagues familiar with the positive results of my visits to Russia and to the United States and furthermore, I also wanted to describe the importance of the energy security regarding this upcoming winter season. We have all agreed that sufficiency of supplies and well regulated infrastructure are the key factors of our countries' gas supplies. We have also come to the agreement that the liberisation of energy markets and their control should particularly be an advantage for their final consumers, but also for the decrease of prices. This is why, the liberisation of the energy market should not be a motive for market abuse from energy companies," said Alena Vitásková, host of the V4 meeting in Ostrava.

According to ACER's Director, Alberto Pototschnig: "It is essential that security of energy supply is approached in a cooperative manner, at least at regional level, and that market conditions are preserved for as long as possible before non-market measures are introduced. Regulators have an important role to play in this respect, by promoting an efficient development of EU energy networks, by allocating the cost of new infrastructure to the beneficiaries - including across borders - and by ensuring that the existing capacity is fully and efficiently used. They should aim for the early, voluntary implementation of the provisions contained in the Network Codes already adopted or under preparation, so that benefits can be delivered to EU energy consumers as soon as possible."

"Hungary is preparing projects to increase domestic hydro-carbon production, developing gas interconnections and increase flow operability. It has also filled up its gas underground

storages. The cancellation of South Stream is a wholly new situation that we have to analyze throughout," said the Vice-president of the Hungarian energy regulator Attila Nyikos.

"Solidarity is the absolute factor. In current situation we need to come together to be stronger. Last week we signed an agreement with Slovakia on the building of a new gas pipeline and we will keep on strengthening our international links. The completion of the north-south corridor is a key factor for our energy security, that also means the realization of the investment in STORK II-Moravia, which also goes through the Czech territory," said the Chairman of the Polish energy regulator Maciej Bando.

The Vice-president of the Slovak regulatory office Miroslav Čelinský confirmed that Slovakia has learnt a lesson from the 2009 crisis and is now focusing on the north/south interconnection. "We have signed a memorandum with the Polish side in order to finish all key investments before 2018 or 2019, we have also increased the volumes of stocks and we would like to keep up with this trend. We are happy that reverse flows are working, in particular regarding the interconnection with the Czech Republic."

All participants to the V4 meeting agreed that regarding the international situation, there will also be a need for non-market measures, which will be dealing with the security of final consumers.

The meeting of the V4 countries with A. Pototsching has been prepared as the warm up to the international expert conference on REMIT, which is taking place on the 3–4 December 2014, in Ostrava, the Czech Republic. The aim of the conference is to introduce new rules on energy market abuse, their implementation and consequences on wholesale energy trading in the Czech Republic but also in other countries, which are implementing this new framework of wholesale energy market regulation for the entire EU. REMIT defines market abuse in form of market manipulations or in the form of an attempt of market manipulation and the trading of devoted individuals on wholesale energy markets. It is also imposing an important ban on the abuse of the market and set a framework for its monitoring in order to prevent market abuse.

Since the official adoption of the REMIT Implementing Acts, begins the period during which all concerned subjects will be starting their registration and reporting – national regulators will be granted a period of 3 months to make their national register available for market participants and 9 months will be given to market participants to start their reporting. All market participants are obliged to register in the register of market participants, which will be held under the regulatory authorities. It is necessary to stick to the deadlines and to all players' commitments, which are stipulated in the European legislation, and it is necessary to future effective and non-problematic functioning on the wholesale energy market.

At the conference, participants will be given various presentations on how to register and will be explained the issues of the contextual platforms.

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