

DECISION AB n° 09/2012

**ON THE ESTIMATE OF REVENUE AND EXPENDITURE OF THE
AGENCY FOR THE 2013 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 a European Agency for the Cooperation of
Energy Regulators (hereafter referred to as the "ACER Regulation" and "Agency"),
and, in particular, Article 23(1) thereof;

HAVING REGARD to the Rules of Procedure (hereafter referred to as "RoP")
adopted by the Administrative Board on 6 May 2010, and, in particular, Article 9
thereof;

Whereas

- 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;
- the Agency started its formal operation on 3 March 2011 and it is now completing its setting-up phase. Therefore, for many of its activities, it is only now that an accurate estimate of the resource requirement is available;
- since its establishment, pursuant to the ACER Regulation, 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 charging and Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (hereafter referred to as the "REMIT");

- REMIT provides for the monitoring of wholesale energy markets by the Agency in close collaboration with National Regulatory Authorities;
- pursuant to Article 9(3) of REMIT, the Agency is responsible for establishing a European register of market participants, based on national registers. Moreover, pursuant to Article 8 of REMIT, the Agency will be provided with records of wholesale energy market transactions, including orders;
- 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;
- a detailed analysis of the tasks and activities assigned to the Agency by REMIT and the resulting IT requirements indicates that, despite an approach which will seek to maximise the synergies with the monitoring activities performed by National Regulatory Authorities, the effective implementation of REMIT requires larger investment in IT systems than envisaged at the time of the preparation of REMIT's financial prospectus;
- the proposal for a Regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC (COM/2011/0658 final - 2011/0300 (COD)) envisages additional tasks for the Agency, including in the process for the selection of Projects of Common Interest and the monitoring of the development of such projects. The proposed Regulation is expected to enter into force at the beginning of 2013;
- the provisions in both REMIT and the proposed Regulation on guidelines for trans-European energy infrastructure are instrumental for the achievement of the targets set by the European Council in February 2011;
- 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;
- on the basis of a forecast of the activities which the Agency will be called to perform in 2013, including for the implementation of REMIT and of the proposed Regulation on guidelines for trans-European energy infrastructure, a preliminary draft budget for the 2013 Financial Year has been drawn up by the Director pursuant to Article 23(1) of the ACER Regulation;

- the Board of Regulators has given its reasoned opinion to the Administrative Board on the preliminary draft ACER budget for 2013, attached to this decision;
- 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 the ACER Regulation;
- this estimate should be sent by the Administrative Board to the European Commission by 31 March,

HAS DECIDED, BY WRITTEN PROCEDURE, pursuant to Article 9 (2) of the RoP that:

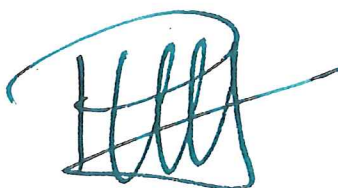
The estimate of revenue and expenditure of the Agency for the 2013 Financial Year amounts to 12,028,851 € (euro).

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 take effect on the day following that of its adoption.

Done at Ljubljana, on 30 March 2012

For the Administrative Board:



Piotr Woźniak

Chairman of the ACER Administrative Board

Annex I

ACER Draft Budget 2013

Title Chapter	Heading	EU contribution €s	Assigned revenue 2011 surplus €s	EFTA contribution €s	Total budget 2013 €s
TITLE 1	EXPENDITURE RELATING TO STAFF AND RESOURCES				
CHAPTER 11	STAFF IN ACTIVE EMPLOYMENT	4,890,774	736,269	127,160	5,754,203
CHAPTER 12	MISSIONS AND DUTY TRAVEL	52,935	7,969	1,376	62,280
CHAPTER 13	SOCIO MEDICAL INFRASTRUCTURE	19,974	3,007	519	23,500
CHAPTER 14	SOCIAL SERVICES	16,999	2,559	442	20,000
	TOTAL TITLE 1	4,980,681	749,804	129,498	5,859,983
TITLE 2	AGENCY'S BUILDING AND ASSOCIATED COSTS				
CHAPTER 20	AGENCY'S PREMISES COSTS	934,943	140,749	24,309	1,100,000
CHAPTER 21	DATA PROCESSING	2,894,403	435,730	75,254	3,405,388
CHAPTER 22	MOVABLE PROPERTY AND ASSOCIATED COSTS	161,490	24,311	4,199	190,000
CHAPTER 23	CURRENT ADMINISTRATIVE EXPENDITURE	601,763	90,591	15,646	708,000
CHAPTER 24	COMPUTER INFRASTRUCTURE TELECOMMUNICATION AND POSTAGE	141,091	21,240	3,668	166,000
	TOTAL TITLE 2	4,733,691	712,621	123,076	5,569,388
TITLE 3	REPRESENTATION EXPENSES				
CHAPTER 30	REPRESENTATION EXPENSES	24,366	0	634	25,000
CHAPTER 31	OPERATIONAL MISSIONS	301,637	0	7,843	309,480
CHAPTER 32	STAKEHOLDER INVOLVEMENT, PUBLIC RELATIONS AND WEBSITE	209,552	0	5,448	215,000
CHAPTER 33	TRANSLATIONS	34,113	0	887	35,000
CHAPTER 34	PROFESSIONAL INDEMNITY	14,620	0	380	15,000
	TOTAL TITLE 3	584,288	0	15,192	599,480
	GRAND TOTAL BUDGET 2013	10,298,661	1,462,425	267,765	12,028,851

ACER Detailed Draft Budget for the Financial Year 2013

Title Chapter Article Item	Heading	EU subsidy	Assigned revenue 2011 surplus	EFTA contribution 2.6%	Financial year 2013	Remarks
9	REVENUE					
90	ANNUAL INCOME					
901	Subsidy from the EU general budget				11,761,086	This represents the annual operating subsidy from the European Union budget.
902	Others				267,766	Other revenue including EFTA contribution.
	CHAPTER 9 0 — TOTAL				12,028,851	
	TITLE 9 — TOTAL				12,028,851	
	GRAND TOTAL					
	EXPENDITURE					
	EXPENDITURE RELATING TO STAFF AND RESOURCES					
1	STAFF IN ACTIVE EMPLOYMENT					
11	Temporary staff holding a post provided in the establishment plan					
110						
1100	Basic salaries and correction	2,432,982	366,267	63,258	2,862,507	Staff Regulations of officials of the European Communities, and in particular Articles 62, 67 and 68 thereof and section 1 of Annex VII thereto.
1101	Family allowances	409,061	61,581	10,636	481,277	This appropriation is intended to cover the household, dependent child and education allowances for temporary staff
1102	Expatriation and foreign residence allowances	419,496	63,152	10,907	493,555	Staff Regulations of officials of the European Communities, and in particular Articles 62 and 69 thereof and Article 4 of Annex VII thereto.
111	Other agents	3,261,539	491,000	84,800	3,837,339	This appropriation is intended to cover the expatriation and foreign-residence allowances for temporary staff.
1110	Contract agents	278,360	41,905	7,237	327,502	Conditions of employment of other servants of the European Communities, and in particular Article 4 and Title IV thereof.
1111	Seconded National Experts	596,377	89,780	15,506	701,663	This item is intended to cover the remuneration and the employer's share of social security contributions for contract agent staff.
112	Further training, retraining and information for staff	874,737	131,685	22,743	1,029,165	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
1120	Training and information for staff	76,495	11,516	1,989	90,000	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.
113	Insurance against sickness, accidents and unemployment	76,495	11,516	1,989	90,000	
1130	Insurance against sickness	93,438	14,066	2,429	109,934	Staff Regulations of officials of the European Communities, and in particular Article 72 thereof.
1131	Insurance against accidents and occupational disease	24,527	3,692	638	28,858	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.
1132	Unemployment insurance for temporary staff	31,604	4,758	822	37,184	Staff Regulations of officials of the European Communities, and in particular Article 73 thereof.
	Article 1 1 3 — Total	149,570	22,517	3,889	175,975	This appropriation is intended to cover the employer's contribution to insurance against accidents and occupational disease (0.875 % of the basic salary).
	Article 1 1 0 — Total	3,261,539	491,000	84,800	3,837,339	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.
	Article 1 1 1 — Total	1,474,114	227,065	46,480	1,747,659	This appropriation is intended to insure temporary staff against unemployment.
	Article 1 1 2 — Total	76,495	11,516	1,989	90,000	
	Article 1 1 3 — Total	149,570	22,517	3,889	175,975	

Title Chapter Article Item	Heading	EU subsidy	Assigned revenue 2011 surplus	EFTA contribution 2.6%	Financial year 2013	Remarks
114	Miscellaneous allowances and grants					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.
1140	Birth and death grants	1,686	254	44	1,983	
1141	Annual travel expenses from the place of work to origin	56,097	8,445	1,459	66,000	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	127,492	19,193	3,315	150,000	
	Article 114 — Total	185,274	27,892	4,817	217,983	
115	Overtime					This appropriation is intended to cover the additional schooling fees incurred by staff members for their children's education.
1150	Overtime					
	Article 115 — Total	0	0	0	0	
116	Expenses on entering and leaving the service and on transfer					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.
1160	Expenditure related to Recruitment	87,545	13,179	2,276	103,000	
1161	Travel expenses taking up duty	23,799	3,583	619	28,000	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 travel expenses of staff (including members of their families) entering or leaving the service.
1162	Installation, resettlement and transfer allowances	68,021	10,240	1,769	80,029	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	48,890	7,360	1,271	57,521	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 116 — Total	228,254	34,362	5,935	268,550	
117	Supplementary services					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
1170	Supplementary clerical and interim services	84,995	12,795	2,210	100,000	This appropriation is intended to cover the administrative assistance received from PMO in processing the salaries of temporary agents and contract agents.
1171	Administrative Assistance	29,910	4,503	778	35,190	
	Article 117 — Total	114,904	17,298	2,988	135,190	
	CHAPTER 11 — TOTAL	4,890,774	736,269	127,160	5,754,203	

Title Chapter Article Item	Heading	EU subsidy	Assigned revenue 2011 surplus	EFTA contribution 2.6%	Financial year 2013	Remarks
12	MISSIONS AND DUTY TRAVEL					
120	Mission expenses, travel expenses and incidental expenditure					
1200	Mission expenses ACER Staff	52,935	7,969	1,376	62,280	This appropriation is intended to cover expenditure on transport, the payment of daily mission allowances and other expenses incurred in the interests of the service, in accordance with the provisions of the Staff Regulations of officials of the European Communities.
	Article 1 2 0 — Total	52,935	7,969	1,376	62,280	
	CHAPTER 1 2 — TOTAL	52,935	7,969	1,376	62,280	
13	SOCIOMEDICAL INFRASTRUCTURE					
130	Medical service					
1300	Medical services and equipment	19,974	3,007	519	23,500	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	19,974	3,007	519	23,500	
	CHAPTER 1 3 — TOTAL	19,974	3,007	519	23,500	
14	SOCIAL SERVICES					
140	Social services					
1400	Special assistance grants					
1401	Social welfare of staff	12,749	1,919	331	15,000	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.
141	Staff Committee	12,749	1,919	331	15,000	This appropriation is intended to cover expenditure by the Agency on the social welfare activities of its staff, including schooling informative events.
1410	Staff Committee	4,250	640	110	5,000	The Staff Committee of ACER incurs costs such as mission costs or other administration costs of the Staff Committee representing the staff of ACER.
	Article 1 4 1 — Total	4,250	640	110	5,000	
	CHAPTER 1 4 — TOTAL	16,999	2,559	442	20,000	
	TITLE 1 — TOTAL	4,980,681	749,804	129,498	5,859,983	
2	AGENCY'S BUILDING AND ASSOCIATED COSTS					
20	AGENCY'S PREMISES COSTS					
200	Rental costs					
2000	Rent	594,964	89,567	15,469	700,000	This appropriation is intended to cover the rental costs of the premises
2001	Removal costs	127,492	19,193	3,315	150,000	This appropriation is intended to cover the costs related to the removal of furniture and equipment to new premises.
	Article 2 0 0 — Total	722,456	108,760	18,784	850,000	
201	Utilities and Services					
2010	Utilities	84,995	12,795	2,210	100,000	This appropriation is intended to cover the utility costs like: water, gas, electricity, waste collection
2011	Cleaning and maintenance	42,487	6,398	1,105	50,000	This appropriation is intended to cover the costs of cleaning and maintenance of the premises
	Article 2 0 1 — Total	127,482	19,193	3,315	150,000	
202	Insurance					
2020	Insurance	12,749	1,919	331	15,000	This appropriation is intended to cover the insurance policy premiums in respect of the building occupied by ACER and its assets.
	Article 2 0 2 — Total	12,749	1,919	331	15,000	

Title Chapter Article Item	Heading	EU subsidy	Assigned revenue 2011 surplus	EFTA contribution 2.6%	Financial year 2013	Remarks
203	Security of buildings and persons					
2030	Security and surveillance of buildings	16,999	2,559	442	20,000	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	8,499	1,280	221	10,000	This appropriation is intended to cover for the costs of health and safety issues at the work place.
	Article 2 0 3 — Total	25,498	3,839	663	30,000	
204	Other expenditure on buildings					
2040	Other expenditure on buildings	42,497	6,398	1,105	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	4,250	640	110	5,000	This appropriation is intended to cover the maintenance costs of audio/video equipment.
	Article 2 0 4 — Total	46,747	7,037	1,215	55,000	
	CHAPTER 2 0 — TOTAL	934,943	140,749	24,309	1,100,000	
21	DATA PROCESSING					
210	Equipment, data processing equipment and operating costs					
2100	Consumables	12,749	1,919	331	15,000	This appropriation is intended to cover the cost of consumables.
2101	Software	2,796,879	421,350	72,771	3,293,000	This appropriation is intended to cover the purchase/licensing of Software including REMIT database and software.
2102	Subscriptions	82,775	12,461	2,152	97,388	This appropriation is intended to cover the subscription costs to various support services and shared applications such as ABAC, Business Objects, ABAC Assets etc.
	Article 2 1 0 — Total	2,894,403	435,730	75,254	3,405,388	
	CHAPTER 2 1 — TOTAL	2,894,403	435,730	75,254	3,405,388	
22	MOVABLE PROPERTY AND ASSOCIATED COSTS					
221	Purchase, hire, maintenance and repair of furniture					
2210	Purchase of furniture	84,995	12,795	2,210	100,000	This appropriation is intended to cover the purchase of furniture.
	Article 2 2 1 — Total	84,995	12,795	2,210	100,000	
222	Transportation					
2220	Transportation costs	50,997	7,677	1,326	60,000	This appropriation is intended to cover the costs of cabs, hire of vehicles and parking spaces.
	Article 2 2 2 — Total	50,997	7,677	1,326	60,000	
223	Documentation and library expenditure					
2230	Library Acquisitions	25,498	3,839	663	30,000	This appropriation is intended to cover the purchase of hard copies or electronic material, e.g. books, reference works or CDs etc. to support and strengthen the knowledge of the agency.
	Article 2 2 3 — Total	25,498	3,839	663	30,000	
	CHAPTER 2 2 — TOTAL	161,490	24,311	4,199	190,000	
23	CURRENT ADMINISTRATIVE EXPENDITURE					
230	Stationery and office supplies					
2300	Stationery and office supplies	21,249	3,199	552	25,000	This appropriation is intended to cover the purchase of paper and office supplies.
	Article 2 3 0 — Total	21,249	3,199	552	25,000	
231	Financial charges					
2310	Bank charges	5,100	768	133	6,000	This appropriation is intended to cover bank charges in relation to the bank accounts held by the agency.
	Article 2 3 1 — Total	5,100	768	133	6,000	

Title Chapter Article Item	Heading	EU subsidy	Assigned revenue 2011 surplus	EFTA contribution 2.6%	Financial year 2013	Remarks
232	Legal expenses	16,999	2,559	442	20,000	This appropriation is intended to cover legal costs and the services of lawyers or other experts.
2320	Legal expenses	135,992	20,473	3,536	160,000	This appropriation is intended to cover the expert consultation costs.
2321	Expert consultations	152,991	23,032	3,978	180,000	
233	Other operating expenditure					
2330	Administrative Board meetings	44,197	6,654	1,149	52,000	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	289,832	43,632	7,536	341,000	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	54,397	8,189	1,414	64,000	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	33,998	5,118	884	40,000	
	Article 2 3 3 — Total	422,424	63,593	10,983	497,000	This appropriation is intended to cover the costs of external participants to meetings organised by ACER.
	CHAPTER 2 3 — TOTAL	601,763	90,591	15,646	708,000	
24	COMPUTER INFRASTRUCTURE					
240	TELECOMMUNICATION AND POSTAGE					
2400	Postal charges	5,100	768	133	6,000	This appropriation is intended to cover expenditure on postal and delivery charges, including parcels.
2400	Postal charges	5,100	768	133	6,000	
	Article 2 4 0 — Total					
241	Telecommunications					This appropriation is intended to cover telephone, fax and communications and expenditure relating to telecommunications equipment.
2410	Telecommunications subscriptions and charges	84,995	12,795	2,210	100,000	This appropriation is intended to cover all telecom related running costs, including fixed lines, mobile telephones and Internet access.
2410	Telecommunications subscriptions and charges	84,995	12,795	2,210	100,000	
242	Equipment and Computer infrastructure					
2420	Hardware and other equipment	50,997	7,677	1,326	60,000	This appropriation is intended to cover the purchase of hardware and other equipment for new post holders and the replacement of hardware on a 4 year cycle including REMIT.
2420	Hardware and other equipment	50,997	7,677	1,326	60,000	
	Article 2 4 2 — Total	141,091	21,240	3,668	166,000	
	CHAPTER 2 4 — TOTAL	4,739,691	712,621	123,076	5,569,388	
3	OPERATIONAL EXPENDITURE					
30	REPRESENTATION EXPENSES					
300	Entertainment and Representation expenses					
3000	Representation expenses	24,366	0	634	25,000	This appropriation is intended to cover costs relating to representation on behalf of ACER.
3000	Representation expenses	24,366	0	634	25,000	
	Article 3 0 0 — Total	24,366	0	634	25,000	
	CHAPTER 3 0 — TOTAL	24,366	0	634	25,000	

Title Chapter Article Item	Heading	EU subsidy	Assigned revenue 2011 surplus	EFTA contribution 2.6%	Financial year 2013	Remarks
31	OPERATIONAL MISSIONS					
310	Missions					
3100	Operational Missions	296,764	0	7,716	304,480	This appropriation is intended to cover costs of missions related to operational issues including REMIT.
3101	EU Agencies Network	4,873	0	127	5,000	This appropriation is intended to cover the costs of an agency's network representation.
	Article 3 1 1 — Total	301,637	0	7,843	309,480	
	CHAPTER 3 1 — TOTAL	301,637	0	7,843	309,480	
32	STAKEHOLDER INVOLVEMENT, PUBLIC RELATIONS AND WEBSITE					
320	Stakeholder involvement, Public Relations & Website					
3200	Public hearings, workshops, conferences	97,466	0	2,534	100,000	This appropriation is intended to cover the cost of public relations activities of ACER including workshops and REMIT.
3201	Website set-up and maintenance	48,733	0	1,267	50,000	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	14,620	0	380	15,000	This appropriation is intended to cover the cost of promotional material informing the public on ACER's activities.
3203	Reports production	48,733	0	1,267	50,000	This appropriation is intended to cover costs relating to the production and distribution of agency's reports.
	Article 3 2 0 — Total	209,552	0	5,448	215,000	
	CHAPTER 3 2 — TOTAL	209,552	0	5,448	215,000	
33	TRANSLATIONS					
330	Translation of documents					
3300	Translation at CDT	34,113	0	887	35,000	This appropriation is intended to cover the translation of materials or other operational needs of ACER.
	Article 3 3 0 — Total	34,113	0	887	35,000	
	CHAPTER 3 3 — TOTAL	34,113	0	887	35,000	
34	PROFESSIONAL INDEMNITY					
340	Liability insurance					
3400	Insurance	14,620	0	380	15,000	This appropriation is intended to cover the liability insurance costs.
	Article 3 4 0 - Total	14,620	0	380	15,000	
	CHAPTER 3 4 - TOTAL	14,620	0	380	15,000	
	TITLE 3 — TOTAL	584,268	0	15,192	599,480	
	GRAND TOTAL	10,298,661	1,462,425	267,765	12,028,851	

BOARD OF REGULATORS OPINION no 01/2012

ON THE PRELIMINARY DRAFT BUDGET FOR 2013 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"), and, in particular, Article 6 thereof;

HAVING REGARD to the Director's preliminary draft budget for 2013 financial year submitted for opinion to the Board of Regulators and providing the basis for the estimate of revenue and expenditure of the Agency for the 2013 financial year to be prepared by the Administrative Board;

HAVING REGARD to the draft Multi-annual Staff Policy Plan 2013-2015 prepared by the Director accompanying the preliminary budget.

WHEREAS

- 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.
- The National Regulatory Authorities through CEER provided a significant contribution to the Agency in 2011 (including administrative support for and servicing of the Agency Working Groups and hosting the Agency's liaison office in Brussels). They anticipate this contribution will continue in 2012. The National Regulatory Authorities participate in and provide significant expertise to the work of the Agency in the Working Groups which are composed of National Regulatory Authorities' representatives and Agency's staff. 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.

- Some of the Agency's tasks under Regulation (EC) No 713/2009, notably with regard to the creation of European network rules, must be intensified during 2013 in order to help in achieving the objective of the completion of the internal energy market; moreover, the Agency's efforts should also be targeted at the early implementation of projects and further market integration notably through the Regional Initiatives.

Since its establishment, the Agency has been assigned additional tasks and responsibilities, notably by Commission Regulation (EU) 838/2010 on the inter-TSO Compensation Mechanism and Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (hereafter referred to as the "REMIT"). Further, new tasks and responsibilities are proposed for the Agency in the European Commission's Proposal for a Regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC. These additional regulatory duties and responsibilities have important resource implications.

- REMIT provides for the monitoring of wholesale energy markets by the Agency in close collaboration with National Regulatory Authorities. The Agency must monitor trading activity in wholesale energy products to detect and prevent trading based on inside information and market manipulation. It will collect the data for assessing and monitoring wholesale energy markets and undertake an initial assessment and analysis for breaches of REMIT. National Regulatory Authorities are required to cooperate at regional level and with the Agency in carrying out this monitoring and may also monitor trading activity in wholesale energy products at national level.
- In accordance with REMIT, market participants shall register and provide the Agency with a record of wholesale energy market transactions, including orders to trade. The Agency is responsible for establishing a European register of market participants, based on national registers.
- These tasks, notably the establishment of the European register of market participants and the acquisition, processing and preliminary analysis of the records of transactions to be provided by market participants, or by other persons or authorities acting on their behalf, require the development of dedicated IT platforms, data exchange protocols and large IT investments. At the same time, every possible effort should be made to identify synergies with the monitoring activities performed by National Regulatory Authorities.
- Following the Board of Regulators discussion of the practical implications of the implementation of REMIT for the Agency and National Regulatory Authorities, including a survey to assess the resource implications for the National Regulatory Authorities, a preliminary assessment indicates that most National Regulatory Authorities currently have little or no experience with monitoring market abuse and with wholesale data collection on a continuous basis, as provided under REMIT. A number of National Regulatory Authorities are concerned that competent staff will be difficult to recruit.

- National Regulatory Authorities are also responsible for ensuring that REMIT is enforced in the Member States and will need to have the necessary investigatory powers. Given the limited experience and resources and the new tasks of the National Regulatory Authorities such as enforcement, significant input to the monitoring of wholesale energy markets through the Agency's monitoring activities can be anticipated.
- **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 2013, prepared by the Director pursuant to Article 23(1) of the Agency Regulation:**
- On the basis of the forecast of the activities which the Agency will be called to perform in 2013 pursuant to Regulation (EC) No 713/2009, against the 2014 targets of the completion of the internal energy market, and the implementation of REMIT, the Board of Regulators welcomes the preliminary draft budget for the 2013 Financial Year, amounting to 12,028,851 € (euro).
- The Board of Regulators considers that the preliminary draft budget is both well balanced and reflects the greater IT investment required to implement REMIT amounting to over 3 million € (euro) in 2013.
- The Board of Regulators stresses that the MSPP 2013-2015 is defined on the basis of the main tasks and responsibilities assigned to the Agency by the Third Legislative Package and the 15 additional staff envisaged in the financial statement for REMIT and notes that the draft preliminary budget for 2013 reflects these considerations. However, the Board of Regulators is of the clear and substantiated opinion that a larger staff will be required for properly implementing REMIT.
- Both the Agency and the National Regulatory Authorities will mutually explore possible synergies of their cooperation and coordination that will ensure proper monitoring and transparency of energy markets; however, the survey undertaken by the Board of Regulators demonstrates that National Regulatory Authorities, which will themselves face additional responsibilities under REMIT, are also subject to resource limitations. Significant help both in monitoring of wholesale energy markets through the Agency's monitoring activities is thus expected.
- While National Regulatory Authorities have a comprehensive understanding of developments on energy markets in their Member State, a strong cross-border market monitoring is essential to achieve a fully functioning, interconnected and integrated internal energy market. The Agency needs to be provided with the appropriate financial and human resources, in order to adequately fulfil the additional tasks assigned to it notably and most immediately under REMIT. The highest standards of efficiency should be achieved by recruiting the necessary expertise in the operation of electricity and gas markets and systems in the Union. In similar terms, National Regulatory Authorities need to be provided with the appropriate human resources to undertake their new tasks under REMIT.

- The Board of Regulators also notes that the proposal for a Regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and the proposed Regulation for Connecting Europe Facility (CEF), envisages additional tasks for the Agency, including in the process for the selection of Projects of Common Interest and the monitoring of the development of such projects. Although the proposed Regulation will not enter into force before 2013, the Commission has already started the preparatory work to identify projects of common interest for the 12 energy priority corridors and to this end initial meetings of the regional working groups have started, without prejudice to the inter institutional negotiations of the Regulation. The Agency is expected to undertake preparatory work including the provision of an opinion on the Cost Benefit Analysis prepared by ENTSOs, its participation at the regional groups proposing PCI and in providing an opinion on the proposed lists and monitoring their implementation etc. In addition, Commission Regulation (EU) 838/2010 on the inter-TSO Compensation Mechanism contains additional tasks and responsibilities for the Agency, which requires involving an adequate amount of human resources.
- The Board of Regulators, therefore, welcomes the appreciation of DG Energy that the additional tasks that the Agency will be called to perform in the infrastructure area will require extra staff, 12 FTE AD level and a minimum of 2 FTE at AST level. However, the Board of Regulators notes that the legislative acts proposed by the Commission are currently under inter-institutional negotiations with their entry into force expected for 1 January of 2013 (for TEN-E guidelines) and in 2014 for the CEF. The Board of Regulators also understands that additional staffing for the Agency will be provided through the financial statement for the CEF. Resources should, wherever possible, be made available to the Agency ahead of the entry into effect of the CEF if the Agency is to perform its additional tasks already in 2013.
- The Board of Regulators also notes that in addition to the National Regulatory Authorities providing a significant contribution to the Agency (through CEER), a number of National Regulatory Authorities contribute to financing Agency's studies related to Impact Assessments of the Framework Guidelines. Given the severe budget limitations faced by the National Regulatory Authorities themselves, the Board of Regulators stresses that the Agency's budget should, as much as possible, reflect a full financing of these studies in the following years.
- Given the above considerations, the commitment expressed by the Commission to reduce the number of posts in its establishment plan by 1% in 2013 and following years should not require the Agency to reduce its staff.

Done at London, 26 March 2012

For the Board of Regulators:



Lord Mogg
Chair of the Board of Regulators