



Project no. CIT1-CT-2004-506392

## **NEWGOV** **New Modes of Governance**

Integrated Project  
Priority 7 – Citizens and Governance in the Knowledge-based Society

### **Workshop on Energy Regulation - "European Public Service?"** reference number: 08/D07

Due date of deliverable: May 2008  
Actual submission date: 29 August 2008

Start date of project: 1 September 2004

Duration: 48 months

Organisation name of lead contractor for this deliverable:  
**Granada University, Leonor Moral Soriano**

<b>Project co-funded by the European Commission within the Sixth Framework Programme (2002-2006)</b>		
<b>Dissemination Level</b>		
<b>PU</b>	Public	X
<b>PP</b>	Restricted to other programme participants (including the Commission Services)	
<b>RE</b>	Restricted to a group specified by the consortium (including the Commission Services)	
<b>CO</b>	Confidential, only for members of the consortium (including the Commission Services)	

## Summary

The aim of this workshop was to prepare a monograph devoted to the role played by the notion of public services in European regulation in general and in European energy policy in particular. To this aim, participants analyzed the third package of measures issued by the Commission on energy policy (2007) from different perspectives in order to evaluate the existence of an European notion of public service.

The workshop took place on 4 July 2008 at Granada University.

## Contents

<b>I. MAIN ISSUES .....</b>	<b>3</b>
<b>II. PROGRAMME .....</b>	<b>4</b>
<b>III. LIST OF PARTICIPANTS .....</b>	<b>4</b>

## I. Main issues

The aim of this workshop was to prepare a monograph devoted to the role played by the notion of public services in European regulation in general and in European energy policy in particular. To this aim, participants analyzed the third package of measures issued by the Commission on energy policy (2007) from different perspectives in order to evaluate the existence of an European notion of public service.

The discussion among participants of the III Workshop which took place on July 4th 2008 drew the following conclusions concerning the importance of the notion of Public Service in European energy regulation:

- Failure to achieve a liberalized energy market. Almost two decades after the start of the liberalization process, customers still do not have the real choice to opt for an alternative supplier. They are hindered either by persisting obstacles regarding the change of a supplier, or by the fact that there are no existing satisfactory alternatives.
- Public and universal service obligations have not been defined by Member States and they may occasionally be counterproductive since, for example, the cost of warranting security of supply could impede the affordability of electricity prices or the ideal degree of environmental protection.
- The Commission has opened non-compliance procedures against most Member States on grounds directly or indirectly related to public service obligations: the absence of notification to the Commission of the obligations imposed by the States; the existence of regulated electricity supply tariffs, which are justified on public service obligations; and the attribution of exclusive or special rights to privileged enterprises to compensate them for the imposition of public service obligations.
- It is certain that if the liberalization of the sector was justified by the benefits it would supposedly bring to end-users (including the lowering of electricity prices), few of these benefits are seen today due to a poor execution of Directive 2003/54/CE by all Member States.
- In this scenario of generalized non-compliance, and with the ratification of the Lisbon Treaty still pending, the Commission has already presented drafts of the third package of directives for the liberalization of the electricity and gas market. It is making a fresh attempt at solving the scarce implementation of the electricity Directive, by approving a new one. Nevertheless, one must ask why this political strategy, which proved use-less before, should work today when the barely implemented Directive 96/92/CE has been substituted by the even less implemented Directive 2003/54/CE?

## II. Programme

- 9:00 First contribution: “Towards an European energy policy: The Commission’s third package of measures”.
- Speaker: Estanislao Arana, Administrative Law Professor, Granada University.
- 10:00 Second contribution: “Public services obligations and competition law”.
- Speaker: Asunción Torres, Administrative Law Professor, Granada University.
- 11:00 Coffee Break
- 11:30 Third contribution: “Public service obligations and consumer protection”
- Speaker: Leonor Moral, Administrative Law Professor, Granada University.
- 12:230 Lunch Break
- 16:00 Fourth contribution: “Coordination mechanisms between *ex ante* and *ex post* regulation”.
- Speaker: Hildegard Giménez, Legal adviser in competition law to CEPSA, and research assistant of European Public Service research project.
- 17:00 Fifth contribution: “Public service obligations and environmental protection: renewable energy”
- Speaker: Masao Javier López Sako, Lecturer on Administrative Law, Granada University.

## III. List of Participants

- Estanislao Arana, Leonor Moral, and Asunción Torres: Members of the project European Public Service Regulation.
- Hildegard Giménez: Research Assistant paid by the project European Public Service Regulation.
- Masao Javier López Sako: Lecturer on Administrative Law at the University of Granada who’s Ph.D on renewable energy was closely related to the project European Public Service Regulation.
- Juan Gutierrez: Lecture on Administrative Law at the University of Granada, who’s interests on liberalization of energy market were closely related to the project European Public Service Regulation.