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ENERGY TRANSPARENCY AWARD 2013

Background

Since 2010 the “Energy Transparency Award” is assigned every year by the Florence School of Regulation, distinguishing a company or institution for their particular contribution to the transparency of energy markets in Europe.

The acronym of “Energy Transparency Award”, ETA, is the seventh letter of the Greek alphabet, often used in technical and scientific formula to represent efficiency. Promoting the economic and technical efficiency of European energy markets through improved transparency is indeed the main purpose of the “Energy Transparency Award”.

Transparency is an essential condition for the efficient functioning of energy markets: transparent market rules, transparent infrastructure access criteria, transparent operation of energy systems and transparent regulatory procedures are all required in order to ensure a level playing field and efficient market outcomes.

Although the importance and the outstanding value of transparency in all markets, including energy markets, are generally recognized, transparency is not equally promoted by all market agents. Some agents within the market benefit from a certain lack of transparency allowing them to increase margins or market share, while some agents outside the market, namely political agents, may benefit from a certain degree of market opacity, allowing them to misuse energy markets, for instance to pursue industry policy or social policy goals. Open and transparent markets, like open societies, have many enemies. The “Energy Transparency Award” is a reminder that market transparency must be steadily promoted, enhanced and defended.

The ETA process is financed by a fund managed by the Florence School of Regulation according to the public rules governing the European University Institute. The fund was initiated by a private energy undertaking that sponsored ETA for the first three years; however, the fund is open to any company or institution wishing to contribute to the transparency of European energy markets. The Florence School of Regulation would welcome new sponsors willing to contribute to enhanced energy market transparency.

Decision of the Selection Committee

Following a call for proposals launched in June 2013, several nominations were received concerning a total of 11 entities. These nominations were evaluated according to the 8 criteria laid down in the ETA Rules:¹ effectiveness, efficiency, reproducibility, innovation, simplicity of design and implementation, responsiveness to users' needs, leverage and contribution to market oversight improvement.

The Selection Committee included Prof. Jean-Michel Glachant, Prof. Peter Kaderjak, Jan Moen and Jorge Vasconcelos (chair).

In a first step, each nomination was independently evaluated by each member of the Committee on a scale ranging from 0 to 100 points.

The 3 nominations with the highest average marks were the following, by alphabetic order:

- **CISMO** | Clearing Integrated Services and Market Operations
- **GIE** Gas Infrastructure Europe
- **IFIEC** International Federation of Industrial Energy Consumers

In a second step, these 3 nominations were assessed again by the Selection Committee. The Committee considered that all 3 entities have provided outstanding contributions to the transparency of energy markets in Europe and therefore wishes to congratulate them and to encourage them to continue their work in support of more transparent and more efficient energy markets.

CISMO, GIE and IFIEC all have been and are good examples of cooperation, innovation and persistence. They have inspired industry, regulators and policy-makers throughout Europe and beyond EU borders, hence contributing to the better functioning of the Internal Energy Market and making the European model better known all over the world.

1. <http://fsr.eui.eu/LoyoladePalacio/Activities/Eta/AwardRules.aspx>

IFIEC - International Federation of Industrial Energy Consumers, has been a major driving force for energy market liberalization and energy market transparency since the very beginning of the liberalization process in Europe, 25 years ago. IFIEC has been one of the most assertive supporters of customer choice, cross-border energy trade and well-functioning energy markets. Through open and consistent cooperation with national and EU authorities, regulators, traders and energy industry associations, IFIEC has actively contributed to increasing transparency of energy markets. IFIEC is a private, bottom-up initiative showing the importance of customers' self-organization and underlining the relevance of market efficiency and transparency not only at wholesale level, but also at retail level.

GIE - Gas Infrastructure Europe is a child of the 2nd energy package. GIE was set up in 2005 and it represents now 69 member companies from 25 countries, gathering operators of gas transmission pipelines, storage facilities and LNG terminals. The regular publication of several studies, reports, maps and data bases has largely contributed to the increased transparency of natural gas markets in Europe.

CISMO is a private Austrian company that has established a platform to monitor electricity and gas markets, based mainly on publicly available information from different sources. This platform contains, in a single central database, information on power and gas output, power and gas consumption, power and gas imbalance volumes and prices, and power and gas traded volumes and prices. The platform is not only accessible to experts, but also to the general public free of charge.

The ETA Selection Committee considers CISMO to be a good example of how innovative companies can benefit from energy liberalisation. By seizing new business opportunities, they can help market participants understand better how energy markets work and, therefore, take better decisions. The ETA Selection Committee hopes this award will provide an incentive to others to develop similar transparency platforms, in other geographical areas and with increasingly broader functionalities.

The Selection Committee warmly congratulates CISMO for its past achievements and encourages its management, shareholders and stakeholders to keep the innovation and transparency track they have so successfully pursued, for the benefit of energy consumers and energy undertakings in Austria and in Europe.

Brussels, November 27, 2013