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CRE publishes its 4th report on system operators' obedience to compliance programmes and their independence within integrated groups

In its 4th annual report on system operators' obedience to compliance programmes and their independence within integrated groups, CRE acknowledges that these programmes have been successfully implemented, while warning against the possible restrictions on their independence, especially their financial independence, that the integrated groups are liable to impose on their subsidiaries.

Transparent and non-discriminatory access to the gas and electricity transmission and distribution networks is a key factor in inspiring the level of confidence required to ensure the successful transition toward an open market. Compliance programmes and the independence of system operators play a major role in achieving this objective. Monitored by CRE, system operators have worked hard over the last four years to draw up and implement codes of good conduct. CRE has thus observed that these programmes are now widely circulated and staff are familiar with them and apply them accordingly.

However, regarding system operator independence, CRE recommends that integrated group services (for example, financial services, human resources and accounts) should be used only in exceptional circumstances. CRE emphasizes the fact that the system operator alone should be responsible for any PR or publicity relative to its activities. With regard to financial operations, CRE will continue to keep a close watch on the dividend and borrowing policies of parent companies to ensure that they do not contend with investments planned for developing the networks and improving quality of service.

The general public is largely unaware of who the distribution system operators are and what they do. CRE believes that this situation fuels confusion, all the more so given the operators' names and visual identities. Such confusion is detrimental to an open market and transparent consumer information. With this in mind, CRE calls on the system operators to improve public awareness of who they are and what they do.

Founded on 24 March 2000, the French Energy Regulatory Commission (CRE) is an independent administrative body. It works to guarantee smooth and efficient operation of the electricity and natural gas markets for the benefit of the end-user. It also works to guarantee the absence of discriminatory practices, cross-subsidies or restrictions on competition.

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