



THE THIRD LIBERALISATION PACKAGE : EURELECTRIC preliminary views

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Third Energy Package

**EURELECTRIC sees the package
as an unique opportunity to:**

- **Address current market shortcomings and speed up market development**
- **Establish a process conducive to market integration for both electricity and gas markets**
- **Achieve a pan-European energy market with regional markets as an intermediary step**



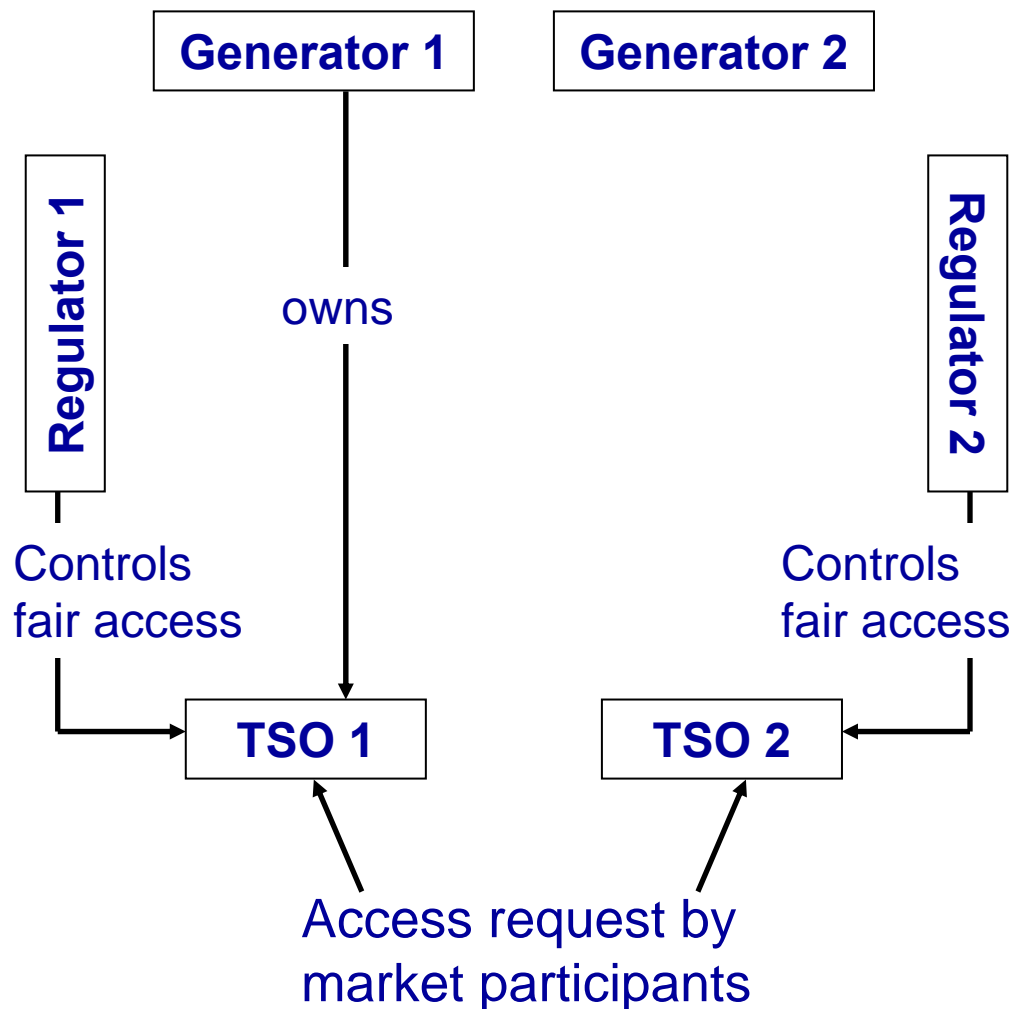
Third Energy Package

EURELECTRIC recommends:

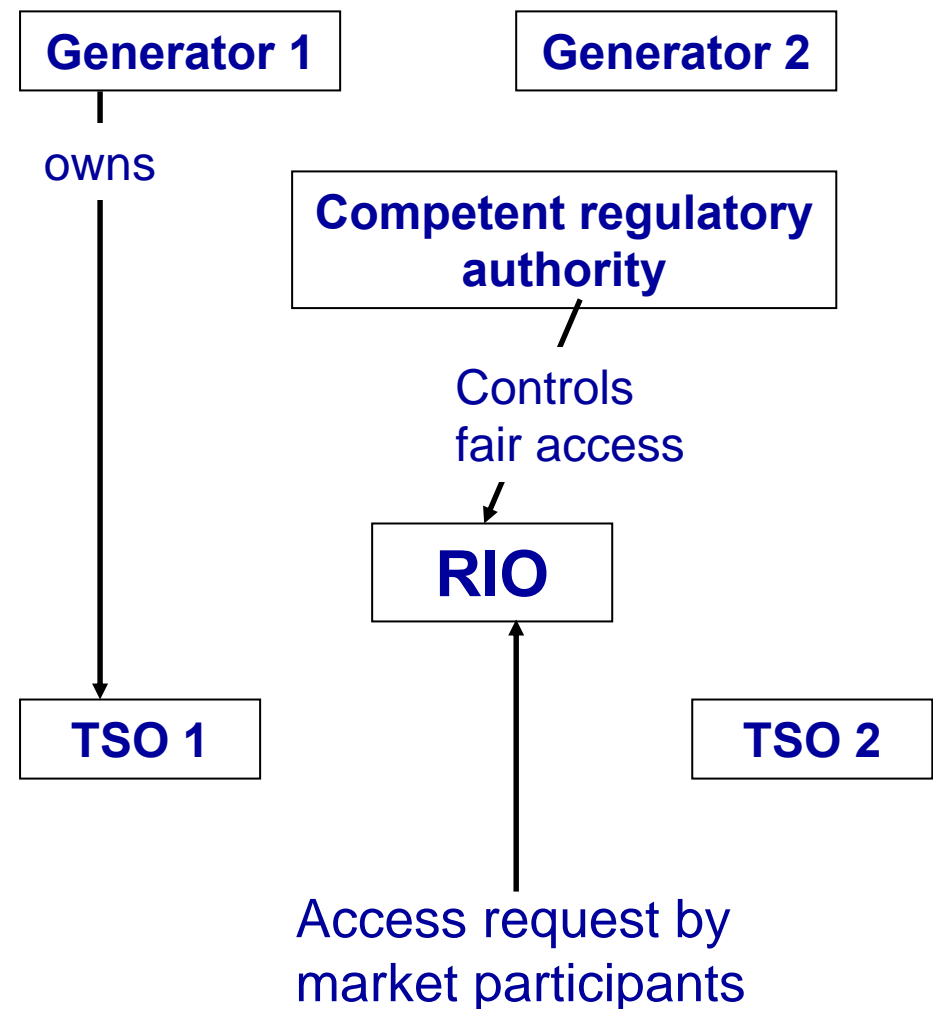
- Moving away from prevailing national focus to a European approach to market integration
- Addressing independence of TSOs in combination with market integration by transferring TSOs activities to regional entities (“RIO concept”)
- Developing a European approach to regulation on cross-border issues

Fair access to transmission networks

NOW



With RIO





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The package includes some positive elements ...

- **Cooperation of regulators facilitated through an Agency capable of speaking with one voice**
- **Fall-back powers to the Commission**
- **A similar approach for both electricity and gas**
- **Enabling regional cooperation**
- **Developing regional planning processes**



Third Energy Package

**... but the European approach
is too weak (I):**

- **The package is dominated by grid issues but lacks:**
 - a vision; and
 - steps needed to integrate markets
- **National ISOs will merely reinforce the prevailing national focus and delay the integration process**
- **Experience shows that cooperation among TSOs does not happen fast enough**



Third Energy Package

**... but the European approach
is too weak (II):**

- **Regional integration should have been a “must be” instead of a “nice to have”**
- **Mandating regional ISOs would have led to “catching two birds with one stone”**
- **Responsibilities of the triangle – TSOs, regulators and the Commission – to be clarified/ balanced**
- **Effective, transparent and democratic consultation processes needed**



Third Energy Package

Prospects and questions:

- **Time span and potential outcome of the package may not delay ongoing market developments**
- **Momentum of 'Regional process' must be maintained and even speeded up**
- **Clarification of roles and responsibilities**
- **Legal and regulatory uncertainties: Too many details left for guidelines and national discretion → Impact on investment in transmission and generation?**



In Summary

**Stronger drive for market
integration needed!**



Thank you for your attention.



Representing the European Electricity Industry