

# The liberalisation package & the medium term vision on the IEM

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## *New Directive and Regulation*

- Full support to the two texts
- Need for involvement of TSOs in the consultation procedure of the Committee



## Medium term vision on the IEM: inter-TSO compensation

- Development of the IEM starting with regions
- Pan-European CBT mechanism:
  - No export fee
  - Short term locational signals through "market based" methods for Congestion Management
  - Based on compensations for transits
  - Cost-reflective but simple, transparent and effective
  - Agreed standard method for the horizontal network based on regulated costs



## Medium term vision on the IEM: congestion management

- Market-based mechanisms for congestion management at all borders as from end of 2004
- Establishment of co-ordinated congestion management methods at regions when needed
- "Market coupling" to be studied in details by PXs and TSOs together



## Medium term vision on the IEM: tariff harmonisation & locational signals

- Harmonisation of national tariff structures starting with harmonisation of G
- Short-term locational signals via market-based congestion management systems
- Long-term locational signals through G
- Consistency with congestion pattern ( $G_A > G_B$  only if congestion from A to B)



## Medium term vision on the IEM: incentives for new investments

- ETSO and CEER to develop guidelines for assessing the appropriate level of investment in infrastructure
- TSOs to take final decisions on investments
- Faster authorisation procedures
- Private investments possible for DC links only
- A European balance forecast to be elaborated by TSOs
- Shared reserves through balancing mechanisms connected through TSOs