



union for the co-ordination of transmission of electricity

# **UCTE comments on EC Strategy Paper**

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# ***UCTE's role in the electricity market***

- **UCTE comments are to be seen in the perspective of the association's role in the electricity market.**

**UCTE has been focusing on reliability issues within:**

- **Operational time frame (reliability rules);**
- **Investment decision time frame (medium and long term system adequacy).**

# *Improved interconnection between Member States*

- **UCTE firmly supports further development and optimal use of cross border interconnection capacity.**
- **UCTE questions the rationale of the 10% target for the capacity:**
  - **the generalization of the target for small and big countries is not appropriate;**
  - **structural long-distance transmission of electricity is not an objective in itself.**

# *Underground EHV cables*

- **The economic benefits from a market perspective should compensate high specific costs.**
- **Investigations by UCTE members show that only „missing links“ in densely populated areas are suitable for EHV cables.**
- **As a result, the share of EHV cables will remain rather insignificant.**

## *Consistent approach to system adequacy*

- **The Strategy Paper states :** „in an integrated market, a unilateral approach to security of supply would not be appropriate. This implies a clear code of conduct on TSOs wishing to take action to restrict cross border flows in emergency situations“.
- **For consistency reasons, the “Code of conduct for emergency situation” should be an integral part of European reliability standards.**

# ***Consistent support framework for Renewable Energy Sources (RES)***

- **UCTE fully supports EC objectives for RES.**
- **Inherent aspects of the successful development of RES (especially wind energy):**
  - **In case of a lack of harmonization of market models for green energy, a strain will come on interconnectors and possibly on system security.**
  - **Wind energy projects require new transmission investments, the authorisation of which may prove to be problematic.**
  - **Non-dispatchable wind energy significantly increases need for balancing power.**

## *Removing other distortions*

- **More generally, UCTE strongly supports as a high priority issue the removal of distortions between the functioning of markets, since:**
  - **Market distortions also put a strain on the interconnections, possibly resulting in jeopardizing system security;**
  - **Market distortions may have an adverse impact on market-based incentives for transmission investments.**

## *Relations with third countries*

- **UCTE fully agrees with the medium term objectives of the EC. UCTE is currently processing several important cases (IPS-UPS, Turkey, Mediterranean area).**
- **To fulfill its role as facilitator of system development, UCTE will call for EC funding for the further investigation on the development of interconnections with third countries.**