



10th Rome Forum

COMMISSION'S STRATEGY PAPER
(June 2003)

EURELECTRIC welcomes:

- **collaboration between EURELECTRIC and CEER** on the best practices for **customer switching**
- the reference to the necessary **convergence between gas and electricity**
- the deletion of **price caps**
- the inclusion of **Switzerland**



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EURELECTRIC recommends:

- to put greater focus on the ways & means to allow a **coherent development** of electricity markets
- to look into the issue as to how to maintain a **sustainable electricity Industry** and to create favourable investment climate
- to have more in-depth discussions on the **regional integration** approach which seem a major change in the Commission's strategy



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CONGESTION MANAGEMENT

- EURELECTRIC welcomes the principle of market-based mechanisms enshrined in the Regulation
- Non discriminatory and market-based mechanisms should be applied at all borders
- Transparency of information: better ATC and NTC forecasts needed
- Capacity: TSOs should offer maximum capacity compatible with security standards
- Capacity: in case of capacity curtailment, market players must be compensated (except force majeure)



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HARMONISATION OF TARIFFS & LOCATIONAL SIGNALS

EURELECTRIC recommends:

- Harmonisation of basic G as a priority!
- **Option 1 of the discussion paper ($G=0$) because it best contributes to creating a level-playing field for generators**
- Option 1 makes the costs more obvious and transparent
- Option 1 does not mean that generators do not pay at all: they still contribute to losses
- Transparency of information: better ATC and NTC forecasts needed
- Capacity: TSOs should offer maximum capacity compatible with security standards
- Capacity: in case of capacity curtailment, market players must be compensated (except force majeure)



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HARMONISATION OF TARIFFS & LOCATIONAL SIGNALS

EURELECTRIC recommends:

- **Congestion** provides some form of locational signals which has a strong influence over the siting of generation
- **Lack of harmonisation** in the EU multi-TSO environment prevents at present the introduction of an additional specific G
- **more sophisticated locational signals** at multi regional level could be envisaged once harmonisation has been achieved