



The liberalisation package & the medium term vision on the IEM

André Merlin

President



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