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PLATTS RESPONSE TO PUBLIC CONSULTATION BY THE DIRECTORATE GENERAL FOR ENERGY ON MEASURES TO ENSURE TRANSPARENCY AND INTEGRITY OF WHOLESALE MARKETS IN ELECTRICITY AND GAS

Platts, the energy information division of The McGraw-Hill Companies, Inc., is pleased to have the opportunity to contribute to the discussion on promoting transparency in European electricity and natural gas wholesale markets. Platts has long advocated the goal of increased price transparency in gas and electricity markets in Europe and the US. In providing both spot and forward prices as well as fundamental data to the marketplace, Platts aims to play a useful role in bringing greater transparency to these markets.

If you have any questions regarding this submission, please do not hesitate to contact the undersigned or Vera Blei, editorial director for European power, on +44 20 7176 6119 or email at vera_blei@platts.com.

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Background

Platts, a division of The McGraw-Hill Companies, Inc., is a global leader in price discovery in the oil, natural gas, electricity, nuclear, coal, petrochemical and metals industries across more than 150 countries from 15 major offices worldwide. Founded in 1888, The McGraw-Hill Companies, Inc. is a leading global publisher in the financial services, education and business information markets through leading brands such as Standard & Poor's, McGraw-Hill Education, and J.D. Power and Associates. Additional information is available at www.mcgraw-hill.com.

Platts' real-time news, periodical newsletters, pricing services, and conferences help markets operate with transparency and efficiency. Traders, risk managers, analysts, and industry executives frequently look to Platts to help them make better trading and investment decisions. Publications and services that directly cover the European wholesale energy markets and regulation include *European Power Alert, European Gas Daily, European Power Daily, Power in Europe, Energy in East Europe, EU Energy, LNG Daily, Coal Trader International* and *European Marketscan*. Additional information is available at www.platts.com.

Platts monitors and reports on progress in the liberalization of gas and electricity markets in EU nations in its *EU Energy* "transparency trackers," an example of which is attached.

Platts' interest in this proceeding

As the consultation paper notes, liquidity in European electricity and gas markets has increased in recent years in part due to steps taken by the European Commission. As trading volume has increased, Platts has been able to assess prices in a growing number of bilateral, over-the-counter electricity and gas markets in EU nations. It also provides fundamental market data that assist in the efficient operation of these markets.

Platts has participated in previous related inquiries, such as the call for evidence on record keeping, transparency, supply contracts, and derivatives issued jointly in February 2008 by the Committee of European Securities Regulators and the European Regulators' Group for Electricity and Gas. Platts shares DG Energy's view that markets must be trusted not just by their participants but also by the general public, and that ensuring market integrity is critical. For that reason, Platts also has participated in similar proceedings in other regions, such as the US Federal Trade Commission's recent rulemaking to provide a definition for market manipulation in oil markets.

The request for comment

DG Energy has posed a number of important questions about the future shape of regulation in EU wholesale electricity and gas markets. As an independent energy information provider, Platts believes that its experience is relevant, and will make several observations on how best to further the objective of ensuring efficient operation of these markets.

<u>*An EU-level regulatory framework is appropriate*</u>

Given its role in assessing a variety of markets globally, Platts believes that global regulatory regimes should be harmonized as broadly as possible to prevent regulatory arbitrage. For example, Platts has provided information on its market reporting to a task force of the International Organization of Securities Commissions that has been examining OTC commodity markets worldwide.

Through the Third Energy Market Liberalisation Package and other initiatives, the EC has made significant headway in breaking down barriers among national markets. This is particularly evident in the German and Scandinavian electricity markets and in the UK gas market. These markets have all benefited from the necessary transparency in market fundamentals to draw in a diverse range of market participants and encourage frequency of trade. There are encouraging signs at some of the continental European gas hubs as well, which have seen liquidity grow over the last couple of years. Any measures to promote transparency and integrity of wholesale markets in electricity and gas should have the goal of increasing the array of market participants and encouraging active risk management to bolster the integrity and robustness of developing and emerging marketplaces.

Along with physical interconnections, a key component of market integration is coordinated regulation. If 27 nations adopt 27 separate and disparate regulatory regimes, effective integration will be hobbled. Platts has considerable experience covering global markets such as oil, coal, petrochemicals, and metals in which national boundaries play a minimal role. To achieve market efficiencies, the regulatory framework for market monitoring and enforcement should be the same across the EU. For example, Platts agrees that definitions of market misconduct for gas and electricity markets should be uniform in all EU jurisdictions.

The case for fully integrated oversight between financial and commodity markets is not as clear-cut. Energy markets that rely on delivery of physical commodities may have characteristics different in some cases from complex derivative markets. While the consultation paper notes that in the US, the Commodity Futures Trading Commission has acted on alleged manipulation of underlying commodity markets, the Federal Energy Regulatory Commission also has an important role to play in overseeing market activity in the physical electricity and gas markets, and the potentially overlap in roles at times has led to friction between the two agencies. The remedy has been for the two to establish memoranda of understanding and other forms of cooperation with the goal of a coordinated approach. Platts believes that while coordination between regulators of financial and physical markets is important, full integration of oversight may be difficult to accomplish due to differences in the markets.

Regulation must provide for changing markets

Financial and commodity markets are on the brink of unprecedented change in regulatory oversight. Pending actions by the EC such as requiring clearing through central counterparties for OTC derivatives, passage and signing into law of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and other measures may soon have a significant effect on the performance of financial markets and the interaction of financial and physical markets. Some industry members, for instance, assert that central clearing of OTC derivatives, collateralization of bilateral transactions, and position limits all could serve to diminish market participation and thus reduce trading liquidity.

Platts believes that as the EC crafts new regulations to increase its oversight of energy markets, it should avoid overly prescriptive or restrictive rules that inhibit market participation and discourage market participants, whether small or large, established or new, from actively pursuing hedging strategies. For example, the consultation paper notes that different rules could apply to market players who execute standardized bilateral transactions. That type of flexibility and willingness to reflect varying market practices could help ensure that new regulations do not inhibit the development of vibrant wholesale gas and electricity markets across the EU.

The wholesale markets in electricity and gas, similar to the other commodity markets, benefit from a diverse range of risk management tools available to them and from marketplace competition. Exchange-based futures contracts and over-the-counter financial swaps and physical forward contracts complement each other and allow market participants to build portfolios of standardized and tailor-made products that meet their respective risk management needs.

Transparency of fundamental market data is vital

In its news and market reporting, Platts regularly contributes to the transparency of fundamental, market-moving supply, demand and transport information through its publication of data on fuel consumption, production, plant efficiencies, actual and forecasted demand, weather, available pipeline capacities, actual and forecast gas flows, and other metrics.

Creation of the Energy Markets Observation System, to which Platts provides data, has been a useful step in increasing transparency of EU markets. The availability of information should be consistent across those markets. Platts recognizes that the procedure for developing network codes set out in the Third Package will govern requirements setting for fundamental data, but wants to stress the importance of uniform access to such data.

Conclusion

Platts supports the objectives of an EU-level approach to oversight of European wholesale electricity and gas markets, uniform availability of fundamental market data, and increased transparency that will encourage broader market participation. Platts looks forward to continuing its participation in proceedings as DG Energy further shapes its policies on an oversight regime.

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EU Energy

EU politicians urge tighter security of Europe's gas supplies

More needs to be done to prevent future disruption of European gas supplies including the expansion of the region's gas storage capacity and improving pipeline interconnections, European politicians told the European Commission in a resolution adopted on September 17.

Following a debate on energy security in the European Parliament in Strasbourg, MEPs urged the Commission to review Europe's gas supply early-warning mechanisms, a key failure in the 2009 Russia-Ukraine gas transit crisis.

In their resolution, MEPs suggested that the EU "beef up" the Network of Energy Security Correspondents to help avoid future disruptions, the parliament said.

The EU's network of energy security correspondents met for the first time in May 2007, bringing together officials from the EC, EU member states and the EU Council secretariat to monitor the EU's energy security and give early warning of potential threats to it.

In July, the European Commission proposed that all 27 EU countries be able to cover the loss of their main gas supply source for at least 60 days based on demand during their coldest winter in the last 20 years.

During the debate on energy security, EU energy commissioner Andris Piebalgs gave a status report on the Nabucco pipeline, to bring gas from Central Asia and Iraq to Europe via Turkey, and Desertec, another EU-backed energy security project focusing on a massive North African solar power development.

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EC welcomes French pledge to open power market

The European Commission has reacted favorably to the French government's plans to reform the power market and introduce more competition in a bid to settle two legal cases brought by the EC, the commission said on September 15.

"If the commitments made by the French government to the commission are implemented, this major reform has the potential to significantly increase competition in the electricity market for the benefit of French consumers," said EU competition commissioner Neelie Kroes in a joint statement with EU energy commissioner Andris Piebalgs.

French Prime Minister Francois Fillon's office unveiled the planned reforms in a statement earlier the same day.

They include maintaining regulated sales tariffs for households and small companies, securing finance for France's existing generation fleet and new investment, and encouraging competition through a regulatory mechanism that will allow all electricity providers operating in France to access power produced by state-controlled EDF's existing nuclear facilities.

The French government said in a statement on September 14 that the "market dynamic" expected to result from opening up the country's nuclear production to competition "will lead to the disappearance of regulated tariffs for large clients in 2015,", adding that "competition will bring out innovative offers, particularly concerning the improvement of electricity demand management."

The statement did not specify when the legislation would be debated in parliament, but said the government

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Piebalgs said he had recently had discussions on Nabucco in Baku and said that efforts to secure sources of gas for the pipeline were progressing after the intergovernmental accord on the pipeline was signed by the prime ministers of Turkey, Romania, Bulgaria, Hungary and Austria in July.

"We are still a long way from securing this project, but we could take a final investment decision by next year. We have identified three sources of gas: Shah Deniz in Azerbaijan; Turkmenistan; and Iraq, which is potentially the biggest source of supply," he said.

But a plan to harness solar energy in North Africa to generate electricity for export to Europe is still in the "very early stages" and not advanced enough to be part of the European Union's energy security debate, Piebalgs told MEPs.

In July this year a group of European companies signed a memorandum of understanding to develop the so-called Desertec project, which involves concentrating solar power systems over 6,500 square miles of the Sahara Desert to generate electricity that would be distributed to Europe and North Africa through a high voltage super grid.

The project has EU backing and its proponents say it could meet 15% of EU electricity demand.

"I believe Desertec will move step by step, not as one big project," Piebalgs said in the debate in Strasbourg.

"But it is difficult at this stage to give any time frame to Desertec, and we can't say now that it is part of our security of supply framework. Perhaps as part of our climate change framework it is more promising," Piebalgs added.

France wants EC legal cases closed

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wants "the new organization of the French electricity market to be effective by July 1, 2010."

The proposed reform comes at the end of a consultation period launched after the April publication of a report by the government-appointed Champsaur Commission.

In return, France wants the EC to close two outstanding legal cases against it – one on state aid and one on EU power market opening rules.

Fillon's office said the government wants legislation implementing the reforms passed quickly so the new market mechanisms can start working on July 1, 2010.

The EC opened an in-depth state aid inquiry in June 2007 into the French government's decision to allow large industrial customers who had left the regulated power market to benefit temporarily from a special state – administered "return tariff" (known as TARTAM) at below market rates.

The EC said then that the system might be distorting competition and breaking EU state aid rules. In March 2009 the EC extended the probe to include France's decision to prolong the system till June 2010.

France also had a final, formal warning from the EC in December 2006 that its regulated tariffs for business could violate the EU's 2003 internal electricity market opening directive.

The EC has the power to refer governments to the European Court of Justice if they do not take heed of such warnings and change their legislation.

An EC press officer confirmed to Platts that both cases were still open and that the EC would not comment again until it had decided on the cases. There is no deadline for the decisions.

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HIGHLIGHTS

EU leaders want G-20 to improve oil, gas market transparency

EU leaders want G-20 governments to commit to improving energy security "by increasing oil and gas market transparency and containing speculation," they said in a joint statement after an informal meeting on September 17.

"Reporting comprehensive data on domestic oil markets and taking steps to oversee the over-the-counter markets are important, so that regulators have a more complete view of the actions of market participants," the 27 EU leaders' statement said.

"Developing new energy-efficient technology is also important in order to ensure energy efficiency," they added.

The leaders were meeting to prepare for the G-20 meeting in Pittsburgh, US on September 24-25. They also discussed how to raise funds to help developing countries cut their emissions – such funding is seen as key to getting agreement on post-2012 global emission cuts at the Copenhagen climate talks in December.

The leaders backed the European Commission's recommendations that the international carbon market should be expanded and reformed by setting up and linking trading schemes "in order to significantly increase financial flows to developing countries."

The EC estimates a robust global carbon market could flow as much as €38 billion/year ($56 billion) by 2020 to developing countries to tackle climate change.

Copenhagen climate talks 'close to deadlock': Barroso

European Commission president Jose Manuel Barroso told the Council of Foreign Relations in New York on September 21 that he is worried about the prospects for UN-led climate talks slated for Copenhagen in December, saying "the negotiations are dangerously close to deadlock at the moment."

"Let me spell out what that means. This may not be a simple negotiating standoff that we can fix next year," Barroso said. "It risks an acrimonious collapse, delaying action against climate change perhaps for years and the world right now cannot afford such a disastrous outcome," he added.

He said that part of the answer to saving the talks lies in the negotiation process. "We fully back the UN process: no one is trying to undermine or short-circuit that," he said. "But now is the time for putting offers on the table, offers at the outer limits of our political constraints."

"This is what Europe has done, to be frank, and we will be pushing others to do the same," Barroso said.

But the other part of the answer is "identifying the heart of the potential bargain that might yet bring us to a successful result." Barroso said the CFR and other world leaders gathering in New York and Pittsburgh this week "can make a real difference on this."

He said all developed countries need to clarify plans on mid-term emissions reductions, as well as showing leadership "not least in line with our responsibilities for past emissions."

If an at least 80% reduction is to be achieved by 2050, "developed countries must strive to achieve the necessary collective 25-40% reductions by 2020," he said, adding that the European Union is ready to go from 20% to 30% "if others make comparable efforts."

Developed countries also must play a significant part in helping to pay for developing countries' mitigation actions. "We will need to be ready, in other words, to make a significant contribution in the medium term, and also to look at short-term 'start-up funding' for developing countries in the next year or so," he said.

"We have less than 80 calendar days to go [un]til Copenhagen," Barroso said. "As of the Bonn meeting last month, the draft text contains some 200 pages. A feast of alternative options. A forest of square brackets. If we don't sort this out, it risks becoming the longest global suicide note in history."

Danish minister says no 'plan B'

Danish energy and climate minister Connie Hedegaard on September 8 said there is "absolutely no plan B" prepared if climate change talks in Copenhagen fail later this year.

Speaking at the Offshore Europe 2009 conference in Aberdeen, Scotland, Hedegaard said she could not give a 100% guarantee that there would be a deal. But she said she hopes there is sufficient pressure from the public that national governments would fear the "political price" they would have to pay if they are unable to deliver.

Hedegaard is currently busy preparing the ground for the talks in the Danish capital that are aimed to agree to a successor to the Kyoto treaty.

She said that politically "things are moving" in the right direction, pointing to examples including the new Obama administration in the US, and the new Japanese prime minister's declaration on September 7 in support of greater CO_2 cuts.

But formal negotiations are "definitely moving too slow." The same issues have been discussed for the past "three, five, seven years," she said, and momentum had to be built up, she said, to ensure that the political price is too high for countries to block a deal.

Oil companies had two options regarding climate change, Hedegaard said. They could reject the science and delay action. That would see their "revenues reduced" and "reputations stained."

Or, she said, they could recognize the situation and deal with it. "That is what modern oil companies do." She said operators offshore Denmark demonstrated an example of this in April 2009 with a new efficiency plan to cut their projected energy use, by lowering flaring and using equipment more efficiently.

Exploring more at home is a good idea, she said. Finding more oil and gas in Europe is better than importing it from abroad, for both climate and energy security.

But oil companies should also look to the great opportunities that will arise in renewable energy, she said, adding that the offshore renewables market could grow fast after a deal in December.

EU ambassador urges US to pass climate legislation quickly

The EU's ambassador to the US, John Bruton, has called on the US Senate to stop "dragging its feet" and pass climate change legislation before the UN meeting to discuss post-2012 global emission cuts takes place in Copenhagen in December.

"Is the US Senate really expecting all the other countries to make a serious effort on climate change at the Copenhagen Conference in the absence of a clear commitment from the United States?" Bruton said in a statement on September 17.

Bruton said that if the US does not deal with climate change before the December conference, "it would open the US to the charge it does not take its international commitments seriously, and that these commitments will always take second place to domestic politics."

"Of course we must be realistic about what politics can and cannot achieve, and temper our ambitions accordingly," said Bruton.

"And this applies to international politics just as much as it does to the legislative agenda of the US Senate. I submit that asking an international Conference to sit around looking out the window for months, while one chamber of the legislature of one country deals with its other business, is simply not a realistic political position," he added.

The EU and other countries have pushed the US to take the lead among industrialized countries in addressing climate change issues. While the US House of Representatives passed climate-change legislation in late June, the Senate is still working on its version.

Key drafters of the US climate legislation, Senator John Kerry, Democrat-Massachusetts, and Senator Barbara Boxer, Democrat-California, said in August that they will postpone the unveiling of their climate legislation until the end of September, citing Kerry's hip surgery and their intensive work on the health care legislation in the Senate Finance Committee.

EC's Barroso pledges to have EU climate action commissioner

European Commission President Jose Manuel Barroso pledged on September 15 to include an EU commissioner for climate action in his team if he was confirmed for a second five-year term.

"I will set up a commissioner for climate action, to reflect the fact that climate change is a challenge that needs to be addressed across the whole range of our policies," Barroso told the European Parliament plenary session in Strasbourg, France.

EU climate policy is currently the responsibility of the EU's environment commissioner, Stavros Dimas.

"A dedicated commissioner for climate action will also send an important signal to the world that, independent of the level of ambition that comes out of Copenhagen, Europe is serious about maintaining momentum for action," said Barroso.

The EU has committed to cutting its carbon dioxide emissions by 20% below 1990 levels by 2020, and by 30% if other industrialized countries commit to similar targets at Copenhagen in December.

CO_2 trade could raise €38 bil/year by 2020 for climate

Robust global carbon trading could generate "as much as €38 billion (more than $55 billion) a year by 2020" to help developing countries cut their greenhouse gas emissions, the European Commission said on September 10 in a paper on how to generate international finance to cut global emissions.

"This assumes that...developed countries take on a collective 30% emission reduction target and a sectoral crediting mechanism is introduced for advanced developing countries in place of the project-based clean development mechanism," said the EC.

"The clean development mechanism should be reformed and focused on least developed countries. The EU should create an incentive for this transition under the EU emission trading system," it added.

Assuming that developing countries also commit to limit their emissions growth to about 15-30% below business as usual by 2020 at the summit, the EC estimates that some €22-50 billion/year by 2020 of additional international public financing will still be needed.

The EC proposes the EU's contribution could be between 10% – reflecting the EU's share of global emissions – and 30% – reflecting its share of global GDP.

"These ranges imply EU contributions of €900 million to €3.9 billion in 2013...and €2 billion to €15 billion per year by 2020," said the EC.

"A significant proportion of the EU contribution could be covered by revenues from the auctioning of the EU emissions trading system allowances," it added. The EC has agreed that at least half of auction revenues from the ETS after 2013 should be used for domestic and international action to combat climate change.

A senior EC official, Artur Runge-Metzger, stressed that all the figures were estimates and that the EU's contribution was subject to negotiation.

"We are not talking here about an EU pledge in terms of money," Runge-Metzger told reporters in Brussels. "We are talking about giving orders of magnitude and opening the negotiations on those numbers."

More ambitious cuts needed

Runge-Metzger, who heads the EC's unit for climate change strategy and international negotiation, said that developed countries needed to be more ambitious in their target emission cuts.

If developed countries only met the lower end of their pledges so far, it would equate to about 10% below 1990 levels by 2020, he said, far from the EU's line that developed countries should achieve 30% cuts.

The EC is also worried about the impact of surplus Assigned Amount Units – emission rights – from the Kyoto Protocol's first commitment period in 2008-2012 on post-2013 emissions trading, said Runge-Metzer.

"The estimate is that about 7.5 gigatons of these surplus AAUs could be carried over into the next commitment period [under the Kyoto Protocal rules]," he said. That equated to about 1.5 times the EU's annual emissions, he said.

Carrying over such a huge amount of so-called "hot air" credits would make a 30% reduction by 2020 target meaningless, he said, as the real level of reduction would be much lower.

Runge-Metzer said the EC recommended that other developed countries setting up cap and trade emission trading systems should follow the EU's example and not allow AAUs to be used for compliance by private companies.

That was key to ensure a robust carbon price giving the right incentives to cut emissions, he said.

Norway, Sweden strike deal creating joint green-tags market

Sweden and Norway have reached an agreement to create Europe's first cross-border program for trading green certificates, a pact that should survive Norway's recent parliamentary elections.

The agreement, unveiled September 7, ends more than five years of on-off negotiations between the two countries. It is scheduled for launch in 2012.

Norwegian Petroleum and Energy Minister Terje Riis-Johansen told an Oslo press conference the deal was"unique" and could be "a model for other countries. We are open for other countries to join."

Peter Niermeijer, secretary general of Netherlands-based RECS International, which promotes cross-border trading of guarantees of origin – electronic tags for power production – praised the agreement.

"We think it's positive. The Nordic electricity market is becoming more and more mature, as it should be," he said in an interview. The agreement should "lower costs for the two countries. It will help fulfil European Union targets."

In addition, the deal should increase competition among developers of offshore renewables projects, which could have a "positive or negative effect," Niermeijer said.

The system could enable the two countries to increase their combined renewable energy production of 37.5 TWh.

Initially the certificate system will cover only wind power and biomass. But Norwegian Prime Minister Jens Stoltenberg, who also spoke at the press conference, said small-scale hydroelectricity and other renewable resources eventually could be included.

The Swedish government previously set a target of increasing renewable energy production by 25 TWh by 2020 compared with 2002, and the Swedish Energy Agency is scheduled to deliver a report by October 1 on how that can be achieved.

Magnus Blumer, an adviser in the Norwegian Ministry of Enterprise, Energy and Communications, told Platts that Norway has yet to establish a renewable energy target but said that as part of the joint system it would now set a goal in keeping with the Swedish objective.

Norwegian estimates for what certificates might cost are based on 1.7 TWh coming on line by 2012 and an additional 11.7 TWh by 2020.

Sweden's electricity consumption was 146 TWh in 2008. Norway, with about half the population, consumed 143 TWh. Both countries have considerable energy-intensive industry.

Riis-Johansen estimated the certificate system initially would cost the typical Norwegian household 100 Norwegian kroner (€11.5, $17) annually, with electric heating increasing to about NOK 1,000 when the bulk of the generation comes on line.

"That's a reasonable cost to pay for developing so much renewable energy," Riis-Johansen said. But critics in Norway say the system will prove too costly for consumers. Reducing carbon emissions and paying for more renewable-energy production emerged as an issue in Norway's recent election campaign. Stoltenberg, who heads the Labor Party, leads a coalition government. He faced a tough race against the Conservatives and the ultra-right Progress Party, which favored investment in emissions reduction in developing countries as the best way of cutting CO_2 releases.

Seven days after the agreement was struck, the Norwegian Labor/center-left coalition won a thriller in parliamentary elections, ensuring Stoltenberg will continue as prime minister.

The Labor Party won three additional seats in parliament and is the largest party with 64 seats. As a result, the coalition government secured 86 seats while the four opposition parties have 83 seats.

Sweden has had a green certificate system since 2003. The joint system will be based on the Swedish model, which gives certificates for 15 years or until the end of 2030, whichever comes first.

Spanish PM says EU to advance Russia's energy charter: report

Spain's Prime Minister Jose Luis Zapatero said on September 14 that the EU was seriously considering Russia's alternative text for the European Energy Charter, and it was ready to advance Moscow's initiative.

"Russia has proposed a new European Energy Charter. European countries regard it with extreme interest and are ready to advance the initiative for greater security," Zapatero said in a speech at a conference in Yaroslavl, Russia, Russian newswire Prime Tass reported.

Russia, which has formally rejected the international Energy Charter Treaty, proposed an alternative in April during a visit by President Dmitry Medvedev to Finland. At the time, Medvedev said Russia wanted a new agreement to secure the interests of energy producing, transiting and consuming countries.

The alternative text was met with some opposition in the European Commission.

The EC's outgoing director general for external relations, Eneko Landaburu, earlier this month said the EC would not accept the Russian alternative, but was optimistic the EU could reach a wider agreement with Russia "within months," (*EUE 215/11*).

"The Russians signed [the ECT] but won't ratify and give excuses we don't understand," Landaburu said at the time. "We have their alternative paper, and we don't like it."

According to Landaburu, the alternative text would allow Russia to impose conditions not included in the original charter "on countries like Ukraine." Ukraine signed the ECT in 1994.

Speaking at the conference in Yaroslavl, Medvedev said Russia's proposed text was not "directed against anyone."

"This, on the contrary, is a document that should help to accommodate the desires of all governments inhabiting the European land," Prime Tass reported Medvedev as saying.

"We are ready for comprehensive dialogue with our partners on Europe, [we] will advance further this proposal and clarify this position," he said.

Separately, at a meeting with Medvedev in conjunction with the conference, Zapatero said Spain would seek to increase mutual understanding between the EU and Russia during the Spanish presidency of the EU in the first half of 2010.

"Our goal during Spain's presidency of the EU will be to open a new phase in relations between the European Union and the Russian Federation," said Zapatero, according to a statement posted on the Kremlin website.

"We will act so that there will be greater understanding, greater partnership, and trust in one another," he said.

Turkey opens talks to join EU energy community

Turkey has started new negotiations to integrate its energy market with the EU's by joining the Energy Community, the European Commission said on September 10.

Turkish officials led by Turkey's deputy undersecretary for energy, Yusuf Yazar, and EC officials led by the EC's deputy director general for energy, Fabrizio Barbaso, met in Vienna on September 9 to discuss the terms for Turkey to sign the treaty which governs the community.

The Energy Community Treaty entered into force in July 2006.

It commits the seven non-EU signatories – Albania, Bosnia-Herzegovina, the FYR of Macedonia, Croatia, Montenegro, Serbia and Kosovo – to conduct energy market reforms to bring them in line with EU internal energy market rules.

Turkey had been part of the original negotiations, but decided in the end to opt for observer status when the treaty was signed in October 2005 in Athens. At that time the EU had just opened negotiations with Turkey for full EU membership, and some saw Turkey's decision as a way to avoid committing itself to anything that might later compromise its negotiating position.

Bulgaria and Romania were members of the Energy Community before becoming full EU members in 2007. Georgia, Moldova, Norway and Ukraine also have observer status.

The new negotiations follow Turkey's signing of an intergovernmental agreement in July for governing Nabucco, the planned 31 billion cubic meter/year pipeline to bring gas from the Caspian Sea and Middle East to Austria via Turkey, Bulgaria, Romania and Hungary.

The agreement ensures that Turkey has to apply EU-style transit rules to gas flows through the €7.9 billion ($11.48 billion) Nabucco.

The EC said the first negotiating session in Vienna focused on progress in Turkey's energy market reforms and the changes needed to implement the Energy Community Treaty. It said that Turkey's reforms were at an advanced stage, particularly in the power sector.

EU's new oil stocks law gets final, formal sign off

Plans for the European Commission to publish commercially-held oil stock levels in EU countries each month had their final sign off on September 14 as EU ministers adopted the new EU new oil stocks directive as agreed by EU energy ministers in June without further debate.

This is the final stage in the formal approval process for the new directive which replaces all previous EU laws on oil and petroleum product stocks.

The new directive requires EU countries which are already International Energy Agency members to maintain total oil stocks equal to at least 90 days of average net imports or 61 days of average daily consumption, whichever is the greater, by end-2012. At least a third of this must be refined products.

The EU's non-IEA members have until end-2014 to comply.

The EC already publishes the level of strategic stocks held by each EU country but it does not publish aggregated data on the level of additional commercial oil stocks.

The EC had proposed publishing this data weekly to improve oil market transparency and limit the effects of "uninformed speculation." But EU national governments rejected weekly reporting, arguing that it would be too difficult to process the data accurately in such a short time.

But the new law includes a clause which gives the EC the option to propose weekly reporting again without having to propose an entire new directive. The proposal would have to be approved by a committee of national government experts, a process known as comitology.

The EC last proposed changes to the oil stocks regime in September 2002, but had to withdraw its proposals in October 2004 as national governments rejected them.

But 2007's high oil prices and rising fears of energy supply disruptions encouraged the EC to produce new proposals in November 2008 as part of a wider energy security package to strengthen the EU's ability to handle energy supply problems.

The new directive enters into force 20 days after it is published in the EU's Official Journal.

EU energy regulators unveil 2010 work program priorities

European energy regulators are inviting comments on their proposed 2010 work program which sets out seven priority areas, the European Regulators Group for Electricity and Gas and the Council of European Energy Regulators said on September 10.

The priorities are implementing the EU's third energy market opening package, security of supply, affordability and consumer issues, climate change and energy issues, energy trading, regional market integration and external issues.

The EU's third energy package entered into force this month and includes the third EU power and gas market opening directives, the revised EU regulation on cross-border power trading, the revised EU regulation on third party access to gas grids, and an EU regulation setting up a new European energy regulatory agency.

Ergeg said the new agency will be set up gradually during 2010, in time to assume its new responsibilities by the legal deadline of March 3, 2011.

Ergeg, made up of the EU's 27 national energy regulators, was itself set up by an EU law to give formal advice to the European Commission on energy regulation.

The new EU energy regulatory agency's responsibilities include oversight of the EU-wide detailed grid codes to be developed by the new formal EU power and gas grid operator bodies, called Entso-e and Entsog, also created by the third package laws.

Ergeg said it intends to follow up in 2009 and 2010 on advice it gave to the European Commission in 2008 on energy market supervision and energy trading transparency.

It plans to hold informal ad-hoc working groups of regulators and relevant stakeholders in order to produce final recommendations in 2011 on market abuse issues such as insider trading and market manipulation, as well as transparent wholesale energy market trading.

Ergeg also plans a public hearing in the fourth quarter of 2010 on regulatory oversight of energy exchanges, followed by recommendations by the end of the year.

Ergeg plans to commission a study on the potential for a single European energy trading passport, and to use it to make recommendations in the third quarter of 2010.

Meanwhile, the Council of European Energy Regulators, a voluntary association which includes all the Ergeg members as well as non-EU energy regulators, plans to study the interdependencies between energy markets in 2010.

It plans to hold a public consultation in the second quarter of 2010 and report in the third quarter on the impact of related markets such as carbon dioxide emission credits, coal and oil on power and gas prices.

The draft work program is available at www.energy-regulators.eu and interested parties have until November 6 to respond.

MEPs endorse Barroso for second term as EC president

Members of the European Parliament endorsed Jose Manuel Barroso to serve a second term as president of the European Commission on September 16.

Barroso, a former Portuguese prime minister, has been EC president since 2004 and was nominated by the European Council, representing EU national governments, as the preferred choice for EC president for a second five-year term.

The parliament meeting in Strasbourg on September 16 voted by 382 to 219 to endorse Barroso for a second term. There were 117 abstentions, the parliament's press service confirmed.

The Greens and their parliamentary allies opposed the reappointment of Barroso and had campaigned for an alternative candidate.

However, the endorsement had been expected as Barroso was the only candidate and he is from the EPP, an alliance of center-right Christian Democrat and People's parties that forms the largest group in the parliament.

"The election of the EC president for a second term is a success for the EPP. It also sends a clear signal of stability and strength in Europe, which is essential during the current economic and social crisis," said EPP head Joseph Daul.

Once national governments have agreed with Barroso the make up of the new commission, MEPs will vote on whether to accept or reject the entire body.

This is not expected until November, after the Irish referendum on the Lisbon Treaty of institutional reform.

An Irish vote in favor of the new treaty would allow each EU country to keep a commissioner, while the current Nice Treaty envisaged cutting the number of commissioners in the next term.

German power TSOs chase full compliance with transparency rules

Germany's four power transmission system operators are approaching full compliance with EU-level rules on public disclosure of market-relevant data, according to the results of the second in a series of detailed assessments by Platts of transparency in the European power markets. Platts' survey looked at what is required to be disclosed under EU legislation, as well as what is desired by European energy regulators' group, Ergeg. **Gala Colover** explains the process that led to the detailed results given on pages 15-31.

Platts launched its EU power market transparency tracker in summer 2008 after it became clear that both the European Commission and Ergeg wanted to strengthen the legal requirements for companies to share data in order to boost competition.

The EU first agreed detailed transparency requirements for TSOs and power generators in its congestion management guidelines (CMG), which became binding in December 2006 after being attached to the 2003 EU regulation on cross-border power trading.

The CMG were carried over without change when the regulation was revised as part of the EU's third energy package which entered into force on September 3 (http://ec.europa.eu/energy/gas_electricity/third_legislative_package_en.htm).

There has been much discussion within the EC and the wider energy-industry community over whether these rules go far enough. The third package provides an option for the EC to adopt new, separate guidelines on information provision after consulting two new formal bodies created by the third package: EU power TSO coordination body Entso-e and the Agency for cooperation of European regulators.

"There are no new detailed requirements on transparency in the third package, but [there is] a clear mandate to come up with new rules," an EC energy official told Platts.

Trackers

Subsequent Platts transparency trackers will aim to compare compliance with the CMG and GGP within the different Regional Initiatives and ultimately between regions. (There are seven RIs for electricity and three for gas.) However Platts will only look at three or four TSOs at a time to enable a clear analysis, given the very large volume of data produced by each assessment.

Platts welcomes feedback from stakeholders to improve the tracker going forward.

The EC has no immediate plans to change the CMG, he said, but added that "with time it is probable that the congestion management guidelines will be amended and be fitted in the world of upcoming codes and guidelines."

The EC has not said whether this might include adopting the minimum transparency requirements set out in Ergeg's Guidelines for Good Practice on Information Management and Transparency in Electricity Markets (GGP), developed in 2006 (http://ec.europa.eu/energy/electricity/florence/doc/twg/ergeg_ggpimt.pdf).

But both Ergeg and the EC have been disappointed with the implementation of the CMG and GGP so far.

In June the EC sent first formal warnings to 25 of the 27 EU countries for breaking the rules in the EU's second energy package, with lack of transparency access to cross-border power and gas grid infrastructure one of the main failings (*EUE 211/1*).

And Ergeg, through its regional initiatives, has noted "room for improvement" in its initial reports on how well European TSOs are complying with both the CMG and the GGP.

Why Platts is tracking transparency

Platts' EU power market transparency tracker can be viewed alongside Ergeg's analysis to give an independent perspective of how accessible power market information is to those who want to find it. Where information is available, Platts has given a weblink to take them directly to it.

Platts already collects a plethora of data on the European gas and electricity markets. As well as following events in the markets through news and analysis in its newsletters, Platts publishes daily price assessments for the European gas and electricity markets and collects on a rolling basis any automated power data published through Platts' Powervision tool.

Platts' transparency tracker makes use of these in-house resources and expertise to produce a comprehensive assessment of power market transparency.

Table 1: Overall scores for compliance by German TSOs with CMG and GGP transparency criteria

	Transpower (E.ON)	Amprion (RWE)	ENBW Transportnetze	Vattenfall Europe Transmission
A. Compliance with CMG and GGP				
Y	34** (1)	37**(2)	32.5*(1)	41(1)
S	1	2	3	2 (1)
P (With EEX)	9	3	9	3
P	1	4	2	1
N	0	1	0	0
N (N/R)	6	4	5	5
% of criteria published	66	72	65	80
% Compliance adjustment (-7 N/R)	74	80	73	90
B. Compliance with CMG				
Y	23	26 (1)	24 (1)	26
S	1	1	2	1
P (With EEX)	3	0	2	0
P	1	3	1	1
N	0	0	0	0
N (N/R)	2	0	1	2
% of criteria published	78	88	83	88
% Compliance adjustment (-2 N/R)	84	91	86	92
C. Compliance with GGP				
Y	14** (1)	16**	11*	19 (1)
S	0	1	2	1 (1)
P (With EEX)	7	3	7	3
P	0	1	1	0
N	0	1	0	0
N (N/R)	4	4	4	3
% of criteria published	54	63	46	75
% Compliance adjustment (-5 N/R)	61	78.5	57	86

Compliance adjustment calculated by removing any data for those criteria not required (N/R) by Ergeg's transparency report for northern Europe. This takes the total number of criteria from 52 down to 45. (x) Numbers in brackets denote data that is not required by Ergeg's transparency report for Northern Europe. *1 only available historically, so awarded half a point. ** 2 only available historically, so awarded a half point each. For the purpose of this analysis the calculation for compliance allocates 0.5 Y for every 1 S. Where each Y = 1 and S, denoting incomplete data = 0.5: P: Planned with EEX: Common German TSO transparency platform planned with EEX to publish significant power output and demand data: http://transparency.eex.com/

Sample calculation for Transpower (E.ON): 33 Y + (2 Y available historically, so awarded 0.5 each) + 1 S (awarded 0.5 each) = 34.5. This is then divided by the total number of criteria described under the CMG and GGP (52). So the % of criteria published is 66%.

Compliance -2 N/R calculates the percentage compliance from 28, rather than 30 criteria.

Compliance -5 N/R calculates the percentage compliance from 21, rather than 26 criteria. (NB. Four criteria are included in both the CMG and GGP).

Source: Platts

Table 2: Analysis of compliance with different categories of transparency criteria

Transparency criteria category	Y	S	P	N	N(N/R)	% of total possible	% total required
System load data	18 (2)	0	1(0)	0	5	75	100
Generation	15.5	4 (1)	24 (1)	1	6	33	38
Balancing	26	0	2	0	0	92	92
Interconnection capacity forecast	35 (2)	0	4	0	9	67	82.5
Capacity calculation	23	1	0	0	0	97	97
Network operation	21	2	1	0	0	89.5	89.5
Network investment and planning	7	1	0	0	0	94	94

(x) Numbers in brackets denote data that is not required by Ergeg's transparency report for Northern Europe. P: Planned with EEX: Common German TSO transparency platform planned with EEX to publish significant power output and demand data: http://transparency.eex.com/

Source: Platts

Platts European power market transparency assessment: Summary of results for Germany

	Transpower (E.ON)	Amprion (RWE)	ENBW Transportnetze	Vattenfall Europe Transmission
System load data				
Load on the grid	Y	Y	Y	Y
Net import/export data	Y	Y	Y	Y
Day ahead demand	Y (ETSOVista)	Y	Y	Y
Week ahead demand	N (N/R)	P	N (N/R)	N (N/R)
Year ahead demand: grid-level (sub)hourly D-365 forecast load	N (N/R)	Y	Y (ENTSO-E)	N (N/R)
Forecast import balance vs production:	Y (ENTSO-E)	Y	Y (ENTSO-E)	Y
Generation				
Planned outages for large units (>100 MW)	P (WITH EEX)	Y	P (WITH EEX)	Y
Advanced warning of unit outages (<100 MW)	P (WITH EEX)	N	P (WITH EEX)	P (WITH EEX)
Advanced warning of offtake unit outages	P (WITH EEX)	P (WITH EEX)	P (WITH EEX)	P (WITH EEX)
Reservoir levels	N (N/R)	N (N/R)	N (N/R)	N (N/R)
Unplanned production unit outages	P (WITH EEX)	S	P (WITH EEX)	Y
Unplanned offtake unit outages	P (WITH EEX)	P (WITH EEX)	P (WITH EEX)	P (WITH EEX)
Aggregate production data	P (WITH EEX)	Y	S	Y
Unit production data	P (WITH EEX)	P (WITH EEX)	P (WITH EEX)	Y
Unit outage history	P (WITH EEX)	S	P (WITH EEX)	Y
Scheduled generation per control area	P (WITH EEX)	Y	P (WITH EEX)	Y
Unit load factor	N (N/R)	N (N/R)	P (WITH EEX)	S (Can be derived)
Actual wind production	Y*	Y	Y	Y
Forecast wind production	Y*	Y	Y*	Y
Balancing				
Relevant info on the balancing market	Y	Y	Y	Y
Balancing bids and offers	Y**	Y**	Y**	Y**
Average and marginal prices	Y**	Y**	Y**	Y**
Imbalance prices	Y	Y	Y	Y
Control area imbalance	Y	Y	Y	Y
Financial balance of the whole market	Y	P	P	Y (can be derived)
Market information on the type of balancing	Y	Y	Y	Y
Interconnector capacity forecast				
Monthly M+1 forecasts of available transmission capacity	Y	Y	Y	Y (E-trace)
Monthly Y+1 forecasts of available transmission capacity	Y	Y	Y	Y (E-trace)
Weekly W-ahead transmission capacity forecasts	P	P	P	P
Daily D-ahead transmission capacity	Y	Y	Y	Y
Daily intra-day transmission capacity	Y	Y	Y	Y
Interconnector project info/impact on cross border trade	Y	Y	Y	Y
Capacity allocated by market time unit and its usage	Y	Y	Y	Y (E-trace)
Real time update of capacity purchased, price	Y	Y	Y	Y (E-trace)
Utilization of allocated capacity/capacity nominated	Y	Y (ETSOVista)	Y	Y (ETSOVista)
Reserved balancing capacity	N (N/R)	N (N/R)	N (N/R)	N (N/R)
Interconnector bids/sales/utilization	Y	Y	N (N/R)	Y (E-Trace, ETSOVista)
Interconnector priority bids/sales/utilization	N (N/R)	N (N/R)	N (N/R)	N (N/R)
Capacity calculation				
Description of interconnection congestion management method	Y	Y	Y	Y
Interconnector capacity calculation method	Y	Y	Y	Y
Grid congestion management, capacity allocation method	Y	Y	Y	S
Times, procedures for applying for grid capacity	Y	Y	Y	Y
Description of products offered	Y	Y	Y	Y
Obligations, rights of TSOs and third parties	Y	Y	Y	Y
Network operation				
Network availability/outage data	Y	Y	Y	Y
Import/Export balance	Y	Y	Y	Y (ETSOVista)
Description of effect of TSOs corrective actions	Y	P	Y	Y
Network access procedure	Y	Y	Y	Y
Network use data	Y	Y	Y	Y
Congestion report – where it exists and why	S	Y	S	Y
Network investment and planning				
System maps/grid expansion projects	Y	Y	S	Y
Planned grid outages	Y	Y	Y	Y

Transparency criteria in **BOLD TYPE**: Required under EU Congestion Management Guidelines; Transparency criteria in PLAIN TYPE: Desired by Ergeg in its Guidelines for Good Practice.

Y: Information available from the German power TSOs (Transpower (E.ON), Amprion (RWE), ENBW Transportnetz and Vattenfall Europe Transmission); S: Some information available from TSO; P: information not currently available but planned to be published in the near future by the TSO; N: Information unavailable from TSO; N(N/R): Information unavailable from TSO, but not actually required to be published, according to Ergeg's analysis of transparency in the northern regional power market. Source: Platts

The first tracker focused on southwest Europe, defined by the EC and Ergeg's 2006 regional power initiatives as France, Spain and Portugal. It generated a substantial volume of feedback from the European energy sector and was broadly welcomed by the TSOs themselves, the EC and the wider energy community.

This second tracker focuses on Germany, which is a key market for Ergeg's central east, central south, central west and northern electricity regional power initiatives.

The tracker focuses on disclosure of information by Germany's four biggest TSOs, as they are subject to the lion's share of obligations on transparency under the CMG. But in some cases, when unable to find data, our assessors searched the websites of Germany's dominant power utilities as well.

Platts did not search the Etsovista website (https://www.etsovista.org/home.aspx), which was set up in November 2006 by the TSOs' then European trade body Etso as a platform to disclose its member TSO's transparency information.

This was because Platts' analysis looked at how a search for specific information would be directed taking a TSO's own website as a first port of call. However the tracker gives links to other websites where the TSOs have directed our assessors there, either through links on their site or after Platts contacted them.

The tracker details what information our assessors could find corresponding to both the CMG and GGP. The CMG predominantly relate to system load data, balancing, interconnector capacity forecast, capacity calculation and network operation information. The GGP relate more to generation, balancing and network investment and planning information.

Platts gave all four TSOs surveyed – Transpower (E.ON), Amprion (RWE); ENBW Transportnetz and Vattenfall Europe Transmission – the opportunity to direct our assessors to data where it appeared unavailable.

An at-a-glance overview of the results of this analysis is given on page 10.

In many cases, data was given on other websites other than those of the TSOs themselves, including Etsovista, Entso-e and the new coordinated cross-border auction offices such as E-trace. To be concise Platts has not attempted to quantify the proportion of data available from the TSO's own websites compared with shared data platforms in the summary tables on page 9, however this information can be found easily by referring to the relevant section of the full tracker on page 15.

More detail on the role of such centralized TSO information websites is given in a qualitative analysis of the tracker on page 12.

Seven exemptions

The tables on page 9 give a breakdown of each TSO's overall compliance with the GGP and CMG together (A); the GGP only (B) and the CMG only (C). Each table gives two sets of results. The first gives the percentage of all possible criteria searched for that is published by each TSO. And the second gives the percentage of all criteria that TSOs are obliged to publish that Platts assessors were able to find.

This is because seven out of the 52 criteria listed in the CMG and GGP are not required for Germany, according to Ergeg's 2007 transparency report for northern Europe. Of these, none of the four German TSOs publish reservoir levels (GGP), reserved balancing capacity (GGP), interconnector priority bids (GGP) or week ahead demand (CMG) – although Amprion (RWE) told Platts it plans to publish this information in the near future. "Implementation [is] in progress," Amprion said. "Up to now [there has been] no publication because of missing weekly-products in Germany."

And although it is not required, Amprion (on its own website) and EnBW Transportnetz (on the Entso-e website) make data available for their forecasts of year-ahead demand (CMG).

EnBW also says it plans to publish unit load factor data (GGP) when it launches its joint website with EEX. At the moment Vattenfall Europe Transmission is the only German TSO to publish some information on this. EnBW Transportnetz is however the only one of the four TSOs studied in this analysis that did not publish any information on interconnector bids, sales and utilization (GGP) at the time of this survey. The other three TSOs all provided links to this information, even though it is not officially required.

The results

A basic quantitative analysis of the results of this survey showed that the four German TSOs publish at least three quarters of all information both required and desired by the EC and Ergeg respectively in six of the seven categories of data searched for by Platts assessors.

All four TSOs publish all the information for system load data that they are required to according to Ergeg's 2007 northern Europe transparency report, but apart from Vattenfall Europe Transmission, the TSOs publish scant data on power generation (see table 2).

This tallies with the results of Ergeg's first monitoring report on transparency in northern Europe, published on August 4, 2008, which found that large power producers in Germany had begun publishing information about their generation units on their websites, but TSOs had yet to comply with requirements for publishing generation data.

Ergeg reported then that the German TSOs would collaborate, with the German energy regulator's support, to publish this information together on the website of the German power exchange EEX, with first information "available late 2008". Most of that information is still pending – however, when questioned, the TSOs told Platts the launch of this website is planned for this autumn. Platts' analysis showed that altogether the four TSOs currently publish 38% of generation information required under the CMG and GGP and all the remaining missing information is planned to be published on the EEX website.

The summary table shows clearly that all four TSOs publish similar amounts of data which tend to be available in the same categories. However Vattenfall Europe Transmission comes out as the most transparent of the German TSOs by a thin margin, publishing 90% of all information required overall (80% of all criteria possible); 92% of all required CMG (88% of all possible); and 86% of all required CMG (75% of all possible).

On the surface, EnBW appears to be the least transparent of the German TSOs at present, publishing 73% of all required transparency criteria and 65% of the total possible. EnBW fared marginally better than Transpower (E.ON) – by a margin of 2% – when it came to publishing information on required CMG criteria, but fell to the bottom of the pack again for GGP criteria, publishing at present only 57% of those required by Ergeg and the EC.

Not just numbers

The statistical analysis could be drawn out further, but in the context of assessing transparency, such an analysis could be both unfair to the transmission system operators and misleading. This is not least because all four TSOs told Platts they are planning to publish the missing required information within months.

For example Vattenfall Europe Transmission said, "Information about corrective actions with impact on previously allocated cross-border capacity rights and trade will be published as soon as available – so far no such event occurred." And EnBW told Platts assessors, "There are no weekly auctions at the moment. We will publish this forecast [in] the fourth quarter of 2009." RWE also told Platts, "Single missing publications will be online end of October."

But, equally important for this analysis of transparency is how long it took Platts' assessors to find what they were looking for and how comprehensible that information was. A qualitative analysis is therefore also necessary and is given below.

Transparency drive transforms German power grid businesses

A year ago Platts published its first transparency tracker, looking in-depth at the French, Portuguese and Spanish power markets. Now the spotlight is on Germany, whose size and location makes it a hugely influential European power market. So how easy is it to find and make sense of information published by the German grid operators? **Siobhan Hall** reports.

The four biggest German power transmission system operators are going through turbulent times. In the past year E.ON Netz and RWE Transportnetz Strom have been restructured and rebranded as Transpower and Amprion respectively. Parent E.ON has committed to sell Transpower to settle an anti-trust case brought by the European Commission, Swedish parent Vattenfall has plans to sell its German TSO Vattenfall Europe Transmission and EnBW is mulling selling its TSO EnBW Transportnetz.

Meanwhile in August the German government said it wanted to see the four integrated into a single national TSO in which the state would hold a 25.1% stake (*EUE 215/17*).

All this puts the German TSOs under strong legal, regulatory and market pressure to increase transparency and thus grid accessibility in the German power market.

The result is major changes in the TSOs' cooperation and coordination with each other, and these are continuing. In the course of Platts' assessment the TSOs and regulators involved stressed that more developments are planned for this autumn, most significantly a common website between the four TSOs and Germany's European Energy Exchange to publish generation and consumption data.

EEX shareholders include Amprion, VET, and the trading arms of the E.ON and EnBW groups. Platts' approach in carrying out its transparency assessment and analyzing the quantitative findings are detailed separately (see page 8), and the assessment itself is published in full on page 15.

But a qualitative approach is also needed to assess how easy the information was to find and to make sense of. This is of course more subjective and open to different interpretations, but some clear trends emerge.

The first is the general consistency in the way the four German TSOs present their information. All refer to the statutory requirements to publish data, and use similar language to the EU's 2006 binding congestion management guidelines in their menu headings. Only Transpower has a "transparency" link on its home page, but the others have clear links to grid user data, and so it is generally easy for a user to find information corresponding to the congestion management guidelines – where it is published.

Using such standardized headings and presentation also makes it easier for the user to realize quickly what information is not published, thus saving searching time. This was more of an issue in the 2008 southwest Europe tracker, where the French, Portuguese and Spanish each had different styles for presenting information.

German-speakers have the edge

The next trend is that in general German-speakers have access to slightly more detailed and more up-to-date information than non-German speakers. All four TSOs maintain parallel English-language websites, but not always with the same information.

For example, EnBW's monthly month-ahead and year-ahead forecasts of available transmission capacity on the German-Swiss border are more up to date in German than English.

Similarly, Amprion offers more detail on balancing market statistics in German than English on its new website – which only launched this month.

This was also an issue in 2008's southwest Europe tracker, which found that local language speakers had a clear advantage over others.

This can also be seen in the common balancing website which the four TSOs set up in 2006 to organize coordinated auctions for balancing power. The site is only available in German, though VET told Platts that an English version was being prepared.

But language may be less of barrier these days, with machine translators such as Google good enough to direct a user to the required data. And EnBW, for example, simply includes links on the English site to the data in German.

The third trend is also similar to the 2008 findings for southwest Europe, namely that the vaguer the definition of the information to be published, the harder it is to verify that it is published. This is particularly true of information that is not a dataset, such as reports on congestion management or "relevant information" on the balancing market or network access.

This is something that European energy regulators have tried to address by producing detailed interpretations of what the EU's congestion management guidelines require TSOs to do. Germany was covered by the first such European Regulators Group for Electricity and Gas transparency report, published in September 2007 by the regulators involved in the northern European regional power initiative.

Ergeg set up seven such regional power initiatives in 2006 in a bid to speed up regional integration, and Germany – which borders nine other countries – is involved in four of them.

The northern Europe region includes Denmark, Finland, Norway and Sweden – seen by many regulators as a model for European power transparency because of the high degree of coordination and data publication through their common NordPool power exchange – plus Germany and Poland.

In August 2008 the northern European regulators published a first monitoring report on TSOs' compliance with the parts of the 2007 Ergeg report covering load, transmission, interconnectors and balancing.

It concluded that transparency was generally high in northern Europe, but that there was still room for improvement. For example it was not always possible to monitor if information was being published close to real time, as the original transparency report did not explicitly require TSOs to include time stamps on their updates.

This fits with a general impression of Platts' assessors that the German TSOs' efforts are focused on complying with the rules. They do this efficiently and effectively – if slowly on generation aid – but without necessarily really considering what the rules are trying to achieve, namely, making it easier for new entrants to find information and take an equal part in the German power market.

But the TSOs see themselves as between a rock and a hard place – or rather a customer and a regulator. "Please note that we – as a regulated company – have to focus our activities to the implementation of requirements resulting from the congestion management guidelines and the report on transparency for the north European region, because any additional effort and corresponding costs for voluntary publications of information are not eligible costs for the grid usage tariff," VET told Platts.

Generation still to come

The regulators' first monitoring report did not cover generation, as Ergeg's 2007 transparency report set a July 1, 2008 deadline for the TSOs to start publishing generation data.

German generators – including all the parent companies of the four biggest German TSOs – started voluntarily publishing some of their data on the EEX in April 2006, and in June this year German generators and TSOs announced a project to work with EEX on a joint website for publishing "significant generation and consumption data". Transpower told Platts: "We are confident that the publication of generation and consumption will be realized in autumn this year."

German energy regulator BNetzA press officer Renate Hichert told Platts that this was an "important project," and that the German TSOs had worked to improve their transparency since 2007.

The regulators are working on the second monitoring report for the northern Europe region, which is to focus mainly on generation data, said Hichert, and plan to publish it later this year. Until then the regulators would not comment in detail, she said.

Meanwhile one new entrant trader told Platts that unequal access to up-to-date generation data was a distortion in the German market. "Some of the operators, particularly producers/generators, have a lot more information regarding production, availability, outages, strikes…and they have it in real time,"the new entrant trader said.

"EEX data are only refreshed once a day and sometimes it is too late when it is received by operators," he said. He wanted to see EEX data refreshed more frequently, with ideally notification emails to operators.

There was enough information on forecast available capacity, he said, but no forecast production or consumption, only historical data.

Interestingly, the lack of plant by plant generation data did not bother him, despite the congestion management guidelines requiring TSOs to publish ex-ante data on planned outages and day-after data on planned and unplanned outages for all power plants above 100 MW.

"For us it is not very important," he said. "The aggregated data per kind of generation is what really matters."

But he was unimpressed by the turnaround on balancing data. "The information on balancing price and quantity is coming quite late, about 45 days delay," he said. "In France we have this information after one to seven days."

Rise of centralized websites

Platts' assessors focused on the TSOs' own websites, but increasingly much of the information required by the congestion management guidelines is available on centralized websites such as the new coordinated auction offices for allocating cross-border capacity, or etsovista.org, the transparency platform set up by the TSOs' European trade body Etso, now renamed Entso-e.

The congestion management guidelines divided EU countries into seven regions similar to Ergeg's regional power initiative groupings, and required each region to introduce common coordinated congestion management methods by January 1, 2007.

As a result German TSOs are now involved in several centralized auction procedures, each with their own website. These include:

- www.e-trace.biz, for the German-Polish/Czech border;
- www.nordpoolspot.com, for the German-Danish/East interconnector;
- www.eonnetz-eltra-auctions.org, for the German/Danish border between Transpower and Energinet.dk;
- www.casc-cwe.eu, a joint service between the TSOs of Belgium, France, Germany, Luxembourg and the Netherlands to auction capacity on the common borders between the five countries;
- www.tso-auction.org, a joint TSO service for auctioning capacity on the common German, Belgian and Dutch borders;
- www.intraday-capacity.com/portal/php/main.php, for intraday capacity between Germany and Denmark, France, the Netherlands and Switzerland.

The German TSOs give links to these central sites, and to Etsovista.org where relevant. Some of the information is also available on the Entso-e home website, although not all the TSOs have put the relevant links on their sites yet. Entso-e is to have a formal role in coordinating TSOs and developing EU grid codes under the EU's newly-adopted third energy package laws.

These centralized European sites are in English and intended for an international audience, as they each cover several countries and local languages.

Input from TSOs

All four German TSOs were happy to help when Platts contacted them to query missing or unclear information in detail. And it was noticeable that there was little difference in the list of queries between the four, implying that their websites are roughly equally easy to use – and are of roughly equal use.

All four provided detailed answers to Platts' detailed questions, and all four were able to provide web links to information that Platts' assessors had struggled to find themselves, or explain why it was not published – for example, because it was not required in the regulators' transparency report. This demonstrates that simply publishing information does not immediately improve transparency.

Platts only asked the TSOs to check the links that the assessors were unsure of or could not find easily. Given the amount of information to be checked, it may be that some of the links found by the Platts assessors are not the most relevant links – another indication that there is more to transparency than simply publishing information.

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

Transparency Criteria	Transpower (E.ON) Published?	Transpower (E.ON) Frequency	Amprion (RWE) Published?	Amprion (RWE) Frequency	ENBW Transportnetze Published?	ENBW Transportnetze Frequency	Vattenfall Europe Transmission Published?	Vattenfall Europe Transmission Frequency
System load data								
Load on the grid	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Vertical_grid_load/index.htm and www.eon-netz.com/pages/ehn_de/Veroeffentlichungen/Netzkennzahlen/Jahreshoechstlast_und_Lastverlauf/Lastverlauf_Hochspannungsnetz/index.htm	Day after, 1/4-hourly data in German and English. 380kV and 220kV from Transpower website and 110kV from Eon Netz website.	Yes - www.amprion.net/en/vertical-load	Day after, 1/4-hourly data	Yes - www.enbw.com/content/de/netznutzer/strom/netzkennzahlen/vertikale_netzlast/index.jsp	Day after, 1/4-hourly data.	Yes - www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/149.htm	Day after, 1/4-hourly data
Net import/export data	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Cross-border_load_flows__Realised_schedules/index.htm	Day after, 1/4-hourly data	Yes - www.amprion.net/en/cross-border-load-flows#/	Day after, 1/4-hourly data	Yes - www.enbw.com/content/de/netznutzer/strom/grenz_lastfluesse/index.jsp	Day after, 1/4-hourly data.	Yes - www.vattenfall.de/www/trm_en/trm_en/941233gridx/941395conge/941485loadx/index.jsp	Day after, 1/4-hourly data
Day ahead demand	Yes - www.etsovista.org	Daily, registration required	Yes - www.amprion.net/en/demand-in-control-area#	Published day ahead, 1/4-hourly data	Yes - www.enbw.com/content/de/netznutzer/strom/netzkennzahlen/prognose_vertikale_netzlast/index.jsp	Day ahead, 1/4-hourly data.	Yes - www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/156.htm	Day ahead, 1/4-hourly data
Week ahead demand	No - TSO says not required in Ergeg's transparency report for northern Europe		No - TSO says in progress	Planned to be weekly	No - TSO says not required in Ergeg's transparency report for northern Europe		No - TSO says not required in Ergeg's transparency report for northern Europe	

KEY: Transparency criteria in **BOLD TYPE: required under EU Congestion Management Guidelines**; Transparency criteria in PLAIN TYPE: desired by Ergeg in its Guidelines for Good Practice.
Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

Transparency Criteria	Transpower (E.ON) Published?	Transpower (E.ON) Frequency	Amprion (RWE) Published?	Amprion (RWE) Frequency	ENBW Transportnetze Published?	ENBW Transportnetze Frequency	Vattenfall Europe Transmission Published?	Vattenfall Europe Transmission Frequency
Year ahead demand: grid-level (sub)hourly D-365 forecast load	No - TSO says not required in Ergeg's transparency report for northern Europe		Yes - www.amprion.net/leistungsbilanz	Yearly	Yes - link given to Entso-e Outlook Report: http://entsoe.eu/_library/publications/entsoe/outlookreports/090605-Rp-WRRSOR_2009_Final_report.pdf	Yearly	No - As above	
Forecast import balance vs production:	Yes - www.entsoe.eu/resources/publications/entsoe/outlookreports/	Yearly	Yes - winter outlook forecast gives overview: www.amprion.net/sites/default/files/pdf/Leistungsbilanz-auszug-seite-A34.pdf	Yearly	Yes - link to Entso-e report: http://entsoe.eu/_library/publications/entsoe/outlookreports/090605-Rp-WRRSOR_2009_Final_report.pdf	Yearly	Yes - www.entsoe.eu/_library/publications/etso/WOR0809_Final_311008.pdf	Yearly
Generation								
Planned outages for large units (>100 MW)	No - but common German TSO transparency platform planned with EEX to publish significant power output and demand data: http://transparency.eex.com/	Planned for autumn	Yes - aggregated with disclaimer at: www.amprion.net/kraftwerksausfaelle-100-mw	Published day ahead, daily data.	No - but common German TSO transparency platform planned with EEX to publish significant power output and demand data: http://transparency.eex.com/	Planned for autumn	Yes - aggregated data in German: www.vattenfall.de/www/vf/vf_de/225583xberx/261603trans/261621exxan/index.jsp and on EEX: www.eex.com/en/Transparency/Power%20plant%20information/Data/Available%20capacity	Daily

KEY: Transparency criteria in **BOLD TYPE: required under EU Congestion Management Guidelines**; Transparency criteria in PLAIN TYPE: desired by Ergeg in its Guidelines for Good Practice.
Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

	Transpower (E.ON)		Amprion (RWE)		ENBW Transportnetze		Vattenfall Europe Transmission	
Transparency Criteria	Published?	Frequency	Published?	Frequency	Published?	Frequency	Published?	Frequency
Advanced warning of unit outages (<100 MW)	No - as above		No - but common German TSO transparency platform planned with EEX to publish significant power output and demand data: http://transparency.eex.com/	Planned for autumn	No - see above		No - but common German TSO transparency platform planned with EEX to publish significant power output and demand data: http://transparency.eex.com/	Planned for autumn
Advanced warning of offtake unit outages	No - as above		No - as above	Planned to be ex-ante: once a year (schedules)	No - see above		No - see above	
Reservoir levels	No - not required for Germany		No - not required for Germany		No - not required for Germany		No - not required for Germany	
Unplanned production unit outages	No - common German TSO transparency platform planned with EEX to publish significant power output and demand data: http://transparency.eex.com/		Yes - aggregated for >100 MW only: www.amprion.net/kraftwerksausfaelle-100-mw	Daily	No - TSO says planned on common German TSO transparency platform with EEX: http://transparency.eex.com/		Yes - aggregated data in German: www.vattenfall.de/www/vf/vf_de/225583xberx/261603trans/261621exxan/index.jsp and on EEX: www.eex.com/en/Transparency/Power%20plant%20information/Data/Available%20capacity	Ad-hoc (on Vattenfall Europe website max. 60 minutes after the event)
Unplanned offtake unit outages	No - as above		No - TSO says planned on common German TSO transparency platform with EEX http://transparency.eex.com/	Planned to be ex-post: ad-hoc, max-delay 2 hours	No - see above		No - TSO says planned on common German TSO transparency platform with EEX: http://transparency.eex.com/	

KEY: Transparency criteria in **BOLD TYPE: required under EU Congestion Management Guidelines**; Transparency criteria in PLAIN TYPE: desired by Ergeg in its Guidelines for Good Practice.
Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

	Transpower (E.ON)		Amprion (RWE)		ENBW Transportnetze		Vattenfall Europe Transmission	
Transparency Criteria	**Published?**	**Frequency**	**Published?**	**Frequency**	**Published?**	**Frequency**	**Published?**	**Frequency**
Aggregate production data	No - as above		Yes - www.amprion.net/en/generation-in-the-control-area#	Published day ahead and day after, 1/4-hourly data	Yes/No - feed-in load includes both plants and distribution networks: www.enbw.com/content/de/netznutzer/strom/netzkennzahlen/lastverlauf/index.jsp	Day after, 1/4-hourly data	Yes - www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/155.htm	Day after, 1/4-hourly data
Unit production data	No - as above		No - TSO says planned on common German TSO transparency platform with EEX: http://transparency.eex.com/	Planned to be daily	No - but common German TSO transparency platform planned with EEX to publish significant power output and demand data: http://transparency.eex.com/		Yes - www.vattenfall.de/www/vf/vf_de/225583xberx/261603trans/261638exxpo/index.jsp	Day after, 1/4-hourly data
Unit outage history	No - As above		No - aggregated for >100 MW only: www.amprion.net/kraftwerksausfaelle-100-mw	Published day ahead, daily data.	No - see above		Yes - www.vattenfall.de/www/vf/vf_de/225583xberx/261603trans/261655umm/263289allex/index.jsp	Ad hoc
Scheduled generation per control area	No - as above		Yes - aggregated with disclaimer at www.amprion.net/en/generation-in-the-control-area#	Published day ahead, 1/4-hourly data	No - see above		Yes - www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/154.htm	Day ahead
Unit load factor	No - TSO says not required in Ergeg's transparency report for northern Europe		No - TSO says not required in Ergeg's transparency report for northern Europe		No - see above		Yes - can be derived from unit generation data, only for Vattenfall generator's own plants	

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Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

Transparency Criteria	Transpower (E.ON) Published?	Transpower (E.ON) Frequency	Amprion (RWE) Published?	Amprion (RWE) Frequency	ENBW Transportnetze Published?	ENBW Transportnetze Frequency	Vattenfall Europe Transmission Published?	Vattenfall Europe Transmission Frequency
Actual wind production	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Actual_and_forecast_wind_energy_feed-in/index.htm	Day after, 1/4-hourly data.	Yes - www.amprion.net/en/wind-data-according-to-17-stromnzv	On the day with 15 minute delay, 1/4-hourly	Yes - www.enbw.com/content/de/netznutzer/strom/erneuerbare_energien/windeinspeisung/index.jsp	Day after, 1/4-hourly data	Yes - www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/153.htm	Day after, 1/4 hourly data
Forecast wind production	Yes - only available historically: www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Actual_and_forecast_wind_energy_feed-in/index.htm	Day after, 1/4-hourly data	Yes - www.amprion.net/en/wind-data-according-to-17-stromnzv	On the day in step with actual data.	Yes - only available historically: www.enbw.com/content/de/netznutzer/strom/erneuerbare_energien/windprognose/index.jsp	Day after, 1/4-hourly data	Yes - www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/152.htm	Day ahead, 1/4 hourly data
Balancing								
Relevant info on the balancing market	Yes - in English at www.transpower.de/pages/tso_en/Transparency/Publications/Tender_of_balancing_power/Overview/index.htm plus separate website in German only for coordinated balancing tenders with ENBW, RWE and VET: www.regelleistung.net/regelleistungWeb/	Ad hoc - common site/process for all four since December 2007	Yes - in English at www.amprion.net/en/control-energy/ plus separate website in German only for coordinated balancing tenders with E.ON Netz, ENBW and VET at: www.regelleistung.net/regelleistungWeb/	Ad hoc	Yes - in English at www.enbw.com/content/en/system_user/power/control_power/index.jsp plus separate website in German only for coordinated balancing tenders with E.ON Netz, RWE and VET at: www.regelleistung.net/regelleistungWeb/	Ad hoc	Yes - in English at www.vattenfall.de/www/trm_en/trm_en/941683compe/941701balan/index.jsp plus separate website in German only for coordinated balancing tenders with ENBW, E.ON Netz and RWE: www.regelleistung.net/regelleistungWeb/	Ad hoc

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Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

Transparency Criteria	Transpower (E.ON)		Amprion (RWE)		ENBW Transportnetze		Vattenfall Europe Transmission	
	Published?	Frequency	Published?	Frequency	Published?	Frequency	Published?	Frequency
Balancing bids and offers	Yes - on common German TSO balancing website in German only: www.regelleistung.net/regelleistungWeb/publicAusschreibungen/PublicAusschreibungenController.jpf	Daily, bidders must register	Yes - on common German TSO balancing website in German only: www.regelleistung.net/regelleistungWeb/publicAusschreibungen/PublicAusschreibungenController.jpf	Daily, bidders must register	Yes - on common German TSO balancing website in German only: www.regelleistung.net/regelleistungWeb/publicAusschreibungen/PublicAusschreibungenController.jpf	Daily, bidders must register	Yes - on common German TSO balancing website in German only: www.regelleistung.net/regelleistungWeb/publicAusschreibungen/PublicAusschreibungenController.jpf	Daily, bidders must register
Average and marginal prices	Yes - as above	Yearly, monthly, daily	Yes - as above	Yearly, monthly, daily	Yes - as above	Yearly, monthly, daily	Yes - as above	Yearly, monthly, daily
Imbalance prices	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Balance_group/Balance_Group_Deviation_as_of_01.05.2009/index.htm	Monthly	Yes - www.amprion.net/en/control-area-balance	Monthly with at least 2-month delay	Yes - most recent data in German: www.enbw.com/content/de/netznutzer/strom/bilanzkreis/bilanzkreisabrechnung/index.jsp	At least two month in arrears last data July 2009	Yes - www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/SetWebsiteLanguage.xml?languagevariantid=ENG&lang=en&targetPage=140.htm	Monthly per balancing mechanism time unit
Control area imbalance	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Control_zone_balance/index.htm	Day after	Yes - www.amprion.net/en/control-area-balance	At least 1 month in arrears	Yes - www.enbw.com/content/de/netznutzer/strom/bilanzkreis/regelzonensaldo/index.jsp	Day after, 1/4-hourly data.	Yes - www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/SetWebsiteLanguage.xml?languagevariantid=ENG&lang=en&targetPage=136.htm	Daily per balancing mechanism time unit
Financial balance of the whole market	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Balance_group/Balance_Group_Deviation_as_of_01.05.2009/index.htm	Monthly	No - TSO says in progress	Planned to be monthly	No - TSO says in progress	Planned to be monthly	Yes - TSO says can be calculated from the imbalance volumes and corresponding imbalance prices, see links above	Monthly per balancing mechanism time unit

KEY: Transparency criteria in **BOLD TYPE: required under EU Congestion Management Guidelines**; Transparency criteria in PLAIN TYPE: desired by Ergeg in its Guidelines for Good Practice.
Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

Transparency Criteria	Transpower (E.ON) Published?	Transpower (E.ON) Frequency	Amprion (RWE) Published?	Amprion (RWE) Frequency	ENBW Transportnetze Published?	ENBW Transportnetze Frequency	Vattenfall Europe Transmission Published?	Vattenfall Europe Transmission Frequency
Market information on the type of balancing	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Use_of_balancing_power/index.htm, www.regelleistung.net/regelleistungWeb/static/info_regelleistung.jsp	2-3 times/year	Yes - www.amprion.net/kennzahlen-und-statistiken	Daily	Yes - secondary reserve: www.enbw.com/content/de/netznutzer/strom/regelenergie/sekundearregelleistung_einsatz/index.jsp, minute reserve www.enbw.com/content/de/netznutzer/strom/regelenergie/mr_einsatz/index.jsp, more info: www.regelleistung.net	Hourly	Yes - www.regelleistung.net	Ad hoc
Interconnector capacity forecast								
Monthly M+1 forecasts of available transmission capacity	Yes - Auction results for German-Danish border: www.eonnetz-eltra-auctions.org/, for Germany-Czech border on Coordinated Auction Office website: www.e-trace.biz/2006/index_month.htm, for German-Dutch border on TSO Auction website: www.tso-auction.org/monthauction/default.aspx	Monthly	Yes - links to all borders: www.amprion.net/en/forecasts-of-transmission-capacity-available-to-the-market, German-Dutch border on TSO Auction website: www.tso-auction.org/monthauction/default.aspx, for DE-FR-NL borders at: www.casc-cwe.eu/en/Market-data/Long-Term-Auctions-Specifications/Monthly-Products	Monthly	Yes - for German-Swiss border: www.enbw.com/content/de/netznutzer/strom/auktion_d_ch/monatsauktion/index.jsp, for German-French border links: www.enbw.com/content/de/netznutzer/strom/netzengpaesse/f/index.jsp, no congestion on German-Austrian border: www.enbw.com/content/en/system_user/power/grid_congestions/a/index.jsp	Monthly	Yes - Coordinated auction office E-trace publishes capacity offered for monthly auctions in English: www.e-trace.biz/2006/index_month.htm	Monthly

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Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

	Transpower (E.ON)		Amprion (RWE)		ENBW Transportnetze		Vattenfall Europe Transmission	
Transparency Criteria	**Published?**	**Frequency**	**Published?**	**Frequency**	**Published?**	**Frequency**	**Published?**	**Frequency**
Monthly Y+1 forecasts of available transmission capacity	Yes - Auction results for German-Danish border: www.eonnetz-eltra-auctions.org/, for German-Czech border on Coordinated Auction Office website: www.e-trace.biz/2006/index_year.htm, for German-Dutch border on TSO Auction website: www.tso-auction.org/yearauction/availablecapacity/default.aspx	Appear to be updated only once a year.	Yes - links for all borders: www.amprion.net/en/forecasts-of-transmission-capacity-available-to-the-market, German-Dutch border on TSO auction website: www.tso-auction.org/yearauction/availablecapacity/default.aspx, New CWE single auction office for DE-FR-NL borders at: www.casc-cwe.eu/en/Market-data/Long-Term-Auctions-Specifications/Yearly-Products	Yearly	Yes - for German-Swiss border: www.enbw.com/content/de/netznutzer/strom/auktion_d_ch/jahresauktion/index.jsp, for German-French and German-Austrian border, see links above	Yearly	Yes - Coordinated auction office E-trace published capacity offered for 2009 yearly auction in English: www.e-trace.biz/2006/docs/ANNOUNCEMENT_11_11_2008_yearly_to%20be%20published.pdf	November 2008 (yearly)
Weekly W-ahead transmission capacity forecasts	No - but TSO says link planned by end October with weekly updates	Planned weekly	No - but TSO says in progress	Planned to be weekly	No - but TSO says in progress	Planned by Q409	No - but TSO says in progress	Planned with new coordinated auction offices

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Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

Transparency Criteria	Transpower (E.ON) Published?	Transpower (E.ON) Frequency	Amprion (RWE) Published?	Amprion (RWE) Frequency	ENBW Transportnetze Published?	ENBW Transportnetze Frequency	Vattenfall Europe Transmission Published?	Vattenfall Europe Transmission Frequency
Daily D-ahead transmission capacity	Yes - for German-Danish border: www.transpower.de/pages/tso_en/Transparency/Publications/Congestion_management/More_Information_about_the_daily_auction/index.htm, German-Czech (CEPS-TPS) border: http://market.e-trace.biz/offered_capacity.asp, German-Dutch border: www.tso-auction.org/capacityresults/default.aspx	Daily	Yes - links for all borders: www.amprion.net/en/forecasts-of-transmission-capacity-available-to-the-market, German-Dutch border on TSO Auction website: www.tso-auction.org/capacityresults/default.aspx	Daily Also to come soon on www.casc-cwe.eu/en/Market-data/Daily-Auctions-specifications/Daily-Products	Yes - for German-Swiss border: www.enbw.com/content/de/netznutzer/strom/auktion_d_ch/tagesauktion/index.jsp, for German-French and German-Austrian border, see links above	Day ahead, hourly data	Yes - http://market.e-trace.biz/offered_capacity.asp	Day ahead
Daily intra-day transmission capacity	Yes - for German-Danish and German-Dutch border: www.intraday-capacity.com/portal/php/main.php, German-Czech border: http://market.ceps.cz/intraday_tso_atc_limits.asp, no congestion on German-Austrian border.	Daily	Yes - links for all borders: www.amprion.net/en/forecasts-of-transmission-capacity-available-to-the-market	Daily	Yes - for German-Swiss border: www.enbw.com/content/de/netznutzer/strom/auktion_d_ch/intraday/index.jsp, for German-French and German-Austrian border, see links above	Daily, hourly data	Yes - http://market.ceps.cz/intraday_tso_atc_limits.asp	Daily

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Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

	Transpower (E.ON)		Amprion (RWE)		ENBW Transportnetze		Vattenfall Europe Transmission	
Transparency Criteria	Published?	Frequency	Published?	Frequency	Published?	Frequency	Published?	Frequency
Interconnector project info/impact on cross border trade	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Information_on_long-term_development_of_the_transmission_infrastructure/index.htm	Planned projects up to 2020	Yes - www.amprion.net/en/long-term-development-of-the-transmission-system-structure	Ad hoc - last update 12/2007	Yes - through link on this page: www.enbw.com/content/en/system_user/power/market_information/index.jsp to this pdf on long term development of transmission infrastructure: www.enbw.com/content/de/netznutzer/media/pdf/Langfristige_Entwicklung_der_Uebertragungsinfrastruktur.pdf	Ad hoc	Yes - www.vattenfall.de/www/trm_en/trm_en/941233gridx/941395conge/941431cmxgu/index.jsp	Ad hoc
Capacity allocated by market time unit and its usage	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Cross-border_load_flows__Realised_schedules/index.htm	Daily (but three weeks in arrears for capacity allocated)	Yes - Yearly, monthly auctions results: www.casc-cwe.eu/en, daily auction results for each border at: www.amprion.net/en/auctions-germany-france, www.amprion.net/en/auctions-germany-and-switzerland, www.tso-auction.org/, Use/nomination on www.etsovista.org	Yearly, monthly, daily (daily also planned on www.casc-cwe.eu from autumn 2009)	Yes - in auction results for German-Swiss border: www.enbw.com/content/de/netznutzer/strom/auktion_d_ch/index.jsp, links for German-French border: www.enbw.com/content/de/netznutzer/strom/netzengpaesse/f/index.jsp, and at www.casc-cwe.eu/en	Yearly, monthly, daily	Yes - on auction result sites: www.e-trace.biz (for German-Polish-Czech border), www.nordpoolspot.com (for German-Danish border), intraday data for German-Czech border at: http://market.ceps.cz/intraday_statistics.asp	Yearly, monthly, daily

KEY: Transparency criteria in **BOLD TYPE: required under EU Congestion Management Guidelines**; Transparency criteria in PLAIN TYPE: desired by Ergeg in its Guidelines for Good Practice.
Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

	Transpower (E.ON)		Amprion (RWE)		ENBW Transportnetze		Vattenfall Europe Transmission	
Transparency Criteria	**Published?**	**Frequency**	**Published?**	**Frequency**	**Published?**	**Frequency**	**Published?**	**Frequency**
Real time update of capacity purchased, price	Yes - on the respective auction websites: www.e-trace.biz, www.eonnetz-eltra-auctions.org, www.casc-cwe.eu, www.tso-auction.org	As soon as available	Yes - see links above	Yearly, monthly, daily	Yes - see above	Yearly, monthly, daily	Yes - see above	Yearly, monthly, daily
Utilization of allocated capacity/capacity nominated	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Cross-border_load_flows__Realised_schedules/index.htm	Daily, but one week in arrears for capacity allocated	Yes - www.etsovista.org/ (Congestion management>Operational>Schedules)	Daily, registration required for Etsovista	Yes - links for all borders in German at: www.enbw.com/content/de/netznutzer/strom/grenz_lastfluesse/index.jsp, also on www.etsovista.org	Hourly, registration required for Etsovista	Yes - www.etsovista.org	Daily, registration required
Reserved balancing capacity	No - TSO says not required in Germany		No - TSO says not required in Ergeg's transparency report for northern Europe		No - TSO says not required in Ergeg's transparency report for northern Europe		No - TSO says not required in Ergeg's transparency report for northern Europe	
Interconnector bids/sales/utilization	Yes - www.etsovista.org, www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Cross-border_load_flows__Realised_schedules/index.htm	As soon as available, registration required for Etsovista	Yes - in auction results eg: www.amprion.net/en/auctions-germany-france	Yearly, monthly, daily	No - TSO says not required in Ergeg's transparency report for northern Europe		Yes - on auction result sites such as www.e-trace.biz, and www.etsovista.org (see before)	Yearly, monthly, daily

KEY: Transparency criteria in **BOLD TYPE: required under EU Congestion Management Guidelines**; Transparency criteria in PLAIN TYPE: desired by Ergeg in its Guidelines for Good Practice.
Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

Transparency Criteria	Transpower (E.ON) Published?	Transpower (E.ON) Frequency	Amprion (RWE) Published?	Amprion (RWE) Frequency	ENBW Transportnetze Published?	ENBW Transportnetze Frequency	Vattenfall Europe Transmission Published?	Vattenfall Europe Transmission Frequency
Interconnector priority bids/sales/utilization	No - TSO says no priority bids/sales or utilizations in Germany		No - TSO says not required in Ergeg's transparency report for northern Europe		No - TSO says not required in Ergeg's transparency report for northern Europe		No - TSO says not required in Ergeg's transparency report for northern Europe	
Capacity calculation								
Description of interconnection congestion management method	Yes - for German-Danish border: www.eonnetz-eltra-auctions.org/, German-Czech border: www.e-trace.biz/2006/index_rules.htm, German-Dutch border: www.tso-auction.org/rulesregulations/default.aspx	Ad hoc	Yes - overview in English for German-French border with EnBW/RTE: www.amprion.net/en/auctions-germany-france, German-Swiss border: www.amprion.net/en/auctions-germany-and-switzerland, German-Dutch border: www.tso-auction.org/	Latest German-French border coordinated auction rules published in English Dec 2007	Yes - overviews in English: www.enbw.com/content/en/system_user/power/grid_congestions/index.jsp with links to details for all borders	Latest German-French border auction rules published in English Dec 2007. German-Swiss border rules published in German in 2007.	Yes - for common borders with Czech Republic, Poland, Slovakia and Transpower: www.e-trace.biz/2006/docs/Auction_Rules_v1_1_2008.pdf and for intraday capacity: www.vattenfall.de/www/trm_en/trm_en/941233gridx/941395conge/941449intra/index.jsp	2008 coordinated auction rules published Nov 2007, intraday rules published Mar 2008
Interconnector capacity calculation method	Yes - for German-Danish border: www.eonnetz-eltra-auctions.org/, for German-Czech border: www.e-trace.biz/2006/index_rules.htm, for German-Dutch border: www.tso-auction.org/faq/capacity/default.aspx	Ad hoc	Yes - as above	Ad hoc	Yes - for German-Swiss border in German: www.enbw.com/content/de/netznutzer/media/pdf/engpass_auktion/Ergebnisse_der_AG_NTC_Version_1_0.pdf, link to RTE site for German-French border, no congestion on German-Austrian border	German-Swiss border method published December 2005	Yes - www.vattenfall.de/www/trm_en/trm_en/941233gridx/941395conge/941503metho/index.jsp	Ad hoc

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Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

Transparency Criteria	Transpower (E.ON) Published?	Transpower (E.ON) Frequency	Amprion (RWE) Published?	Amprion (RWE) Frequency	ENBW Transportnetze Published?	ENBW Transportnetze Frequency	Vattenfall Europe Transmission Published?	Vattenfall Europe Transmission Frequency
Grid congestion management, capacity allocation method	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Congestion_management/Overview/index.htm	Ad hoc	Yes - auction rules in links above, overview at www.amprion.net/en/congestion-management	Ad hoc	Yes - for German-Swiss border: www.enbw.com/content/de/netznutzer/strom/auktion_d_ch/index.jsp, for German-French border: www.enbw.com/content/de/netznutzer/strom/netzengpaese/f/index.jsp and at www.casc-cwe.eu/en	Yearly, monthly, daily	Yes - for German-Polish/Czech borders in German only: www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/SetWebsiteLanguage.xml?languagevariantid=ENG&lang=en&targetPage=120.htm. Methodology for implicit auction at German-Danish/East border to be published after regulatory approval	New German-Polish/Czech methodology planned this autumn
Times, procedures for applying for grid capacity	Yes - details for connection only: www.transpower.de/pages/tso_en/Transparency/Publications/Grid_connection/Grid_connection_regulations/index.htm	Ad hoc	Yes - contracts for connection and usage: www.amprion.net/en/grid-connection	Ad hoc, contracts in German only	Yes – under network access at http://www.enbw.com/content/en/system_user/power/network_access/index.jsp	Ad hoc	Yes - www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/106.htm	Ad hoc
Description of products offered	Yes - description of charges: www.transpower.de/pages/tso_en/Transparency/Publications/Network_charges/Overview/index.htm	Ad hoc	Yes - description of charges: www.amprion.net/en/grid-charges	Ad hoc	Yes - explanation of pricing for different grid services available in English at: www.enbw.com/content/en/system_user/power/network_access/price_components/index.jsp	Ad hoc	Yes - www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/126.htm	Yearly

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Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

Transparency Criteria	Transpower (E.ON) Published?	Frequency	Amprion (RWE) Published?	Frequency	ENBW Transportnetze Published?	Frequency	Vattenfall Europe Transmission Published?	Frequency
Obligations, rights of TSOs and third parties	Yes - details for grid connection: www.transpower.de/pages/tso_en/Transparency/Publications/Grid_connection/Grid_connection_regulations/index.htm	Ad hoc	Yes - details for grid connection: www.amprion.net/en/grid-connection	Ad hoc, details in German only	Yes - details for grid connection: www.enbw.com/content/de/netznutzer/strom/netznutzung/technisch_anschluss/index.jsp	Ad hoc, details in German only	Yes - with grid access details: www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/106.htm	Ad hoc
Network operation								
Network availability/outage data	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Scheduled_and_unscheduled_outages_of_the_transmission_grids_with_market_relevance/index.htm	Ad hoc	Yes - www.amprion.net/en/market-relevant-and-planned-outages#	Ad hoc	Yes - English link to German detail: www.enbw.com/content/en/system_user/power/network_operation/overhauls_transmission_network/index.jsp	Ad hoc	Yes - planned outages at: www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/121.htm, unplanned outages at: www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/122.htm	Ad hoc
Import/Export balance	Yes - www.etsovista.org, www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Cross-border_load_flows__Realised_schedules/index.htm	Hourly/daily	Yes - www.amprion.net/en/cross-border-load-flows#, www.etsovista.org	Daily, on TSO site H+2 on Etsovista	Yes - links for all borders in German at: www.enbw.com/content/de/netznutzer/strom/grenz_lastfluesse/index.jsp, also on www.etsovista.org	1/4-hourly	Yes - TSO says can be calculated from aggregated realised commercial and physical flows per interconnection published on www.etsovista.org	Daily, registration required for Etsovista

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Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

Transparency Criteria	Transpower (E.ON) Published?	Transpower (E.ON) Frequency	Amprion (RWE) Published?	Amprion (RWE) Frequency	ENBW Transportnetze Published?	ENBW Transportnetze Frequency	Vattenfall Europe Transmission Published?	Vattenfall Europe Transmission Frequency
Description of effect of TSOs corrective actions	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Cross-border_load_flows__Realised_schedules/Measures_for_the_rectification_of_network_or_system_problems/index.htm	Ad hoc	No - but TSO says in process	Planned for end-September 2009	Yes - www.enbw.com/content/en/system_user/power/network_operation/failures_and_restrictions_in_Transmission_Network/index.jsp	Latest info from 2008	Yes - www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/SetWebsiteLanguage.xml?languagevariantid=ENG&lang=en&targetPage=157.htm	Ad hoc
Network access procedure	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Grid_connection/Grid_connection_regulations/index.htm plus ad hoc reports: www.transpower.de/pages/tso_en/Transparency/Publications/Reporting_Service/Network_access/index.htm	Ad hoc	Yes - www.amprion.net/en/grid-customers	Ad hoc	Yes - www.enbw.com/content/en/system_user/power/network_access/index.jsp	Ad hoc	Yes - www.vattenfall.de/www/trm_en/trm_en/941233gridx/941287gridx/index.jsp, grid connection policy: www.vattenfall.de/www/trm_en/trm_en/941233gridx/941269gridx/index.jsp	Ad hoc

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PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

Transparency Criteria	Transpower (E.ON) Published?	Transpower (E.ON) Frequency	Amprion (RWE) Published?	Amprion (RWE) Frequency	ENBW Transportnetze Published?	ENBW Transportnetze Frequency	Vattenfall Europe Transmission Published?	Vattenfall Europe Transmission Frequency
Network use data	Yes - annual peak load and load curve: www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Annual_peak_load_and_load_curve/index.htm plus ad hoc reports: www.transpower.de/pages/tso_en/Transparency/Publications/Reporting_Service/Network_access/index.htm	Ad hoc	Yes - www.amprion.net/en/structural-characteristics	April 1 each year	Yes - www.enbw.com/content/en/system_user/power/network_access/network_data_tng/index.jsp	Latest info for 2008	Yes - www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/124.htm	April 1 each year
Congestion report - where it exists and why	Yes - for borders only: www.transpower.de/pages/tso_en/Transparency/Publications/Congestion_management/Overview/index.htm	Ad hoc	Yes - www.amprion.net/en/grid-constraints	Ad hoc	Yes - for borders only: www.enbw.com/content/de/netznutzer/strom/netzengpaesse/index.jsp	Ad hoc	Yes - www.vattenfall.de/www/trm_en/trm_en/941233gridx/941395conge/941431cmxgu/index.jsp	Ad hoc

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Source: Platts

PLATTS EUROPEAN POWER MARKET TRANSPARENCY ASSESSMENT: GERMANY

Transparency Criteria	Transpower (E.ON) Published?	Transpower (E.ON) Frequency	Amprion (RWE) Published?	Amprion (RWE) Frequency	ENBW Transportnetze Published?	ENBW Transportnetze Frequency	Vattenfall Europe Transmission Published?	Vattenfall Europe Transmission Frequency
Network investment and planning								
System maps/grid expansion projects	Yes - quarterly grid development: www.transpower.de/pages/tso_en/Transparency/Publications/Reporting_Service/Network_development_and_status/index.htm, long term grid development: www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Information_on_long-term_development_of_the_transmission_infrastructure/index.htm	Ad hoc and quarterly reports	Yes - most detail in German: www.amprion.net/netzausbau	Ad hoc	No maps but on grid expansion: Yes - through link on this page: www.enbw.com/content/en/system_user/power/market_information/index.jsp to this pdf on long term development of transmission infrastructure: www.enbw.com/content/de/netznutzer/media/pdf/Langfristige_Entwicklung_der_Uebertragungsinfrastruktur.pdf	Ad hoc last update March 2009	Yes - www.vattenfall.de/cps/rde/xchg/trm_net/hs.xsl/Netzausbauprojekte.htm	Ad hoc
Planned grid outages	Yes - www.transpower.de/pages/tso_en/Transparency/Publications/Network_figures/Scheduled_and_unscheduled_outages_of_the_transmission_grids_with_market_relevance/index.htm	Ad hoc	Yes - www.amprion.net/en/market-relevant-and-planned-outages#	Ad hoc	Yes - detail in German only: www.enbw.com/content/de/netznutzer/strom/netzbetrieb/revisionen_ue_netz/index.jsp	Info up to end-2009	Yes - www.vattenfall.de/cps/rde/xchg/trm_de/hs.xsl/121.htm	Ad hoc

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Source: Platts

COMPETITION

Germany

EC clears Denmark's DONG to buy KOM-STROM from Essent

The European Commission has cleared plans by state-owned Danish utility DONG Energy's to buy 83.57% of the shares in German wholesale power company KOM-STROM, the EC said on September 9.

DONG agreed to buy the shares from Dutch utility Essent for €27 million ($38.23 million) on August 11. DONG is buying the shares through its subsidiary DONG Naturgas.

KOM-STROM is based in Leipzig and is a regional wholesale power and gas provider. It also offers energy-related consulting services to German municipal utilities and large industrial clients, said the EC.

DONG is Denmark's biggest utility, and has production capacity in Denmark, France, Greece, Poland, Sweden and the UK.

It is already represented in the German energy market by its Hamburg-based wholesale company DONG Energy Sales.

The EC said the proposed merger did not raise any significant competitive concerns. There would still be enough competitors able to supply wholesale power to the Lubeck region, and enough retail customers free to choose their supplier.

The parties' combined market share in all other markets where their activities overlap would remain "moderate" at under 10%, the EC added.

EU

MEPs urge EC to adopt measures on hostile foreign takeovers

Members of the European Parliament on September 17 urged the European Commission to "take action against hostile takeover bids by non-transparent foreign entities in the EU energy market," the EP's press service said on September 17 after MEPs voted on a resolution on energy security (*see page 1*).

The resolution reflected MEPs concerns over the takeover of EU energy companies by Russian companies that are believed to have close ties to the Kremlin or Russian state-controlled gas giant Gazprom.

These include Surgutneftegaz's recent acquisition of a stake in the Hungarian energy company MOL and Cyprus-registered Gazprom affiliate Centrex's 20% stake in Austria's Baumgarten trading and storage facility, the EP press service said.

The EC has said previously that all foreign takeovers are subject to scrutiny under existing EU competition laws.

Italy

EC clears Italy's Eni plan to raise its stake in TEC to 100%

The European Commission has cleared Italian gas incumbent Eni's plans to buy all the shares needed to take sole control of Tuscan regional gas distributor Toscana Energia Clienti, the EC said on September 9.

The EC examined the case under the EU merger law's simplified procedure, used for mergers that do not raise any obvious competition concerns.

Eni already owns about 80% of TEC, which was formed in 2006 from the merger of Florence-based regional gas distributor Fiorentinagas Customer and its Pisa-based counterpart Toscana Gas Clienti.

TEC has 600,000 customers and sells more than 1 billion cubic meters of gas each year.

AEEG opens probe into Snam heating value data

The Italian energy regulator, AEEG, has opened an investigation into certain activities of natural gas transporter Snam Rete Gas, it said in a statement on September 14.

The company risks an administrative sanction for possible violations of AEEG rules on the measurement of the calorific value of gas at certain points on its network, AEEG said.

In contravention of AEEG bylaw 85/09, which was released September 2, Snam Rete Gas did not carry out samples in 29 cases, for more than nine days, on the calorific value of gas transported on its network.

A source at Snam said that the preliminary investigation concerned the unavailability of data from October 2006 until March. In this period, said the source, data was unavailable due to problems with gas chromatographs. Snam manages 150 gas chromatograph points in Italy.

Poland

Enea asks for higher energy prices

Poland's third largest power company Enea has submitted a request for a higher individual end-user tariff in 2010 to the country's energy regulator URE, Enea CEO Maciej Owczarek said on September 21.

"We have submitted an application to URE to raise energy prices in 2010," Owczarek told the TVN CNBC business news channel. "We're trying to make the level of the rise as low as possible," he added.

URE set September 22 as the deadline for energy sales companies to submit tariff requests for 2010. Household power prices are still regulated in Poland. Based in Poznan, west Poland, Enea sold 17.5 TWh of energy last year giving it almost a 15% share of the country's sales market. It is currently slated for privatization, but this plan faces opposition from labor unions.

Switzerland

Watchdog challenges legality of municipal franchise awards

Switzerland's federal cartel agency (Weko) is seeking to challenge the conventional procedure for awarding municipal electricity franchises in the country. It has been conventional practice in Switzerland for local authorities to award franchises for a specified duration.

Now for the first time, Weko has intervened in a pending relicensing case by the city of Emmen, calling on the municipality to award the franchise through a public tender.

The background is that Lucerne-based incumbent utility CKW Energie AG is negotiating the extension of existing power franchises with 76 municipalities. The CKW is a subsidiary of the Axpo holding, which in turn is owned collectively by cantons in northeastern Switzerland and is largely dependent on them. The Cantons concerned largely overlap with CKW's former monopoly retail area.

The franchises give CKW exclusive rights to run and maintain local power grids for 20-25 years, with an option for automatic renewal in 20 years time.

In return for exclusive rights, the utility must pay a levy. To date all such contract extensions have been negotiated behind close doors, with the parties concerned citing business sensitivity as justification.

But since last year, such closed-door negotiations have been forbidden under paragraph 2.7 of the federal law on the domestic power market, meaning that municipalities are flouting federal law.

Legal representatives from the municipalities argue that federal legislation does not apply as it only applies to monopolies, not grid owners.

But Weko challenges this view and is seeking to test its case in the federal courts.

UK

Structural gas, power overcapacity 'here to stay': Unicredit

The next 12 months will see a flattening of UK power and gas forward curves thanks to overcapacity, investment bank Unicredit said on September 11.

The bank sees "structural overcapacity" in UK power supply lasting for decades, not years, with value in the utilities sector shifting away from generation towards downstream retail businesses and regulated networks.

"Spot prices in the energy markets don't lie and they have collapsed because of overcapacity combined with lower fossil fuel and carbon costs," Unicredit equity analyst Martin Brough said in a note.

"Theory says that a lack of new build, some capacity retirements and some demand growth will put a capacity premium back in the price. However, the reality is that new build is happening, not to make money in the wholesale market but to support customer market share and collect wind subsidies. We see structural oversupply as likely for decades, not years."

Even if a V-shaped economic recovery materialized, the bank believed a structural gas and power capacity surplus was "here to stay."

"A flat world is very bad news for independent generators, while integrated players need to win the political battle over customer margins in order to cross-subsidize investment," the note said.

Meanwhile the bank saw confidence improving in regulatory returns and the debt market, allowing long-term growth to be seen as a positive for retailers and network operators.

"Confidence in regulatory returns and debt market stability will improve in the next 12 months in our view," Brough said.

ELECTRICITY

EU

Benelux-France-Germany auctions rules harmonized

Regulators from the countries in Ergeg's central west Europe regional power market initiative have agreed a harmonized set of rules for the auctioning of cross-border transmission capacity on the borders between Luxembourg, Belgium, Germany, France and the Netherlands.

The auction rules are due to take effect next month.

They apply to the auctioning of annual and monthly capacity, as well as daily capacity on the Dutch-German and French-German borders. They also cover the registration of auction participants and the settlement of accounts with these participants. Capacity on the Dutch-Belgian border is traded by means of an implicit auction system.

In an implicit auction, players do not actually get allocations of cross-border capacity themselves. Rather, they bid for energy on their power exchange and then power exchanges use the available cross-border transmission capacity to minimize the price difference between price areas. Through implicit auctions and efficient use of cross-border transmission capacity, neighboring power markets become "coupled".

The regulators say the move will boost the efficiency of trading on the international electricity

market, thus enhancing the operation of the market mechanism. They say this is a key step towards a single, integrated electricity market in Central Western Europe and will make CASC-CWE (Capacity Allocation Service Company for the Central Western European Electricity Market) the pre-eminent office for explicit auctions serving the regional electricity market in Central Western Europe.

The TSOs in the central west region are Cegedel Net (Luxembourg), Elia (Belgium), ENBW TNG, Transpower and Amprion (Germany), RTE (France) and TenneT TSO B.V. (Netherlands),

New uranium mines needed to meet demand

The uranium market should be well supplied up to 2020 but new mines will need to be developed to satisfy demand thereafter, according to a report released on September 10 in London by the World Nuclear Association.

World reactor requirements for uranium are expected to rise to 76,900 mt in 2015, 91,500 mt in 2020 and 106,100 mt in 2030 from the 64,500 mt estimated in 2008, the nuclear industry lobby group said.

Those are the "reference scenario" numbers in the WNA's biannual Global Nuclear Fuel Market Report – Supply and Demand 2009, which also included a lower and an upper estimate scenario.

The WNA's reference scenario sees uranium production growing to 70,000 mt in 2015 and 80,000 mt in 2020.

The upper case scenario puts production at 75,000 mt in 2015 and 93,000 mt in 2020, while the lower case scenario sees production of only 59,000 mt in 2015 dropping to 56,000 mt in 2020.

The report said world nuclear capacity at the end of 2008 was 371 GW of electricity and would rise under the reference scenario to 415 GWe by 2015, 476 GWe by 2020 and 600 GWe by 2030.

In the upper scenario, the figures are 437 GWe by 2015, 558 GWe by 2020, and 818 GWe in 2030.

By contrast the lower scenario sees world nuclear capacity stagnating in the period to 2020 and then dropping rapidly as old reactors close and are not replaced.

The nuclear industry is promoting itself as a key player in the fight against climate change which scientists say is exacerbated by burning fossil fuels for power and transport.

WNA said both the reference and upper scenarios in its new report reflect higher uranium requirements than its previous report in 2007.

"The main explanation for this is the improved outlook for nuclear generating capacity and, in particular, the impact that this has on first core fuel requirements," WNA said.

First cores require more uranium than subsequent reloads.

France

Ministry to create fuel poverty working group

The French environment ministry is to set up a working group aimed at reducing energy bills for the country's most vulnerable households, it said September 17.

"In France, at least 2 million households live in accommodation [that is] hardly or badly heated and more than 10% of the French population is affected by a situation of energy precariousness," it said. "For some years this figure has been constantly rising. This is not acceptable in our country."

The French secretary of state for sustainable development Valerie Letard will ask the working group to "make concrete propositions" to reduce the energy costs.

The group will be comprised of government agencies and NGOs, the ministry said. Its conclusions will be submitted to Letard on December 15, while the initial recommendations will be available from November 15 "to allow the most fragile households to reduce their energy bills."

The government's environmental policy has generated criticism in recent weeks from members of the socialist opposition party and campaign groups over the planned 2010 application of a tax on carbon emissions.

They argue that the poorest households will suffer if the new measure, under which fuel and transport will be taxed at €17/mt ($25.07/mt) of carbon emitted, increases the overall levels of tax paid while the economy is still weakened by the effects of the global downturn.

Launching the tax on September 10, French President Nicolas Sarkozy emphasized that households would be compensated for the additional costs resulting from the tax. For taxpaying households this will be in the form of a reduction of income tax, while households that do not pay income tax will receive a refund through a "green check" system.

Environment minister Jean-Louis Borloo said on September 12 that the government is close to announcing more money for renovating heating systems for flats owned by local authorities.

"We have already pledged to renovate the heating systems of 800,000 flats with high energy usage, out of 4 million, and I asked the Union Sociale pour l'Habitat (a social housing group) to make the proposals for 1.5 million more flats – we can considerably reduce the heating bill of [these residents]," Borloo said.

Germany

Ministry commissions next generation nuclear reactor study

Germany's economy ministry has commissioned a survey to research next generation nuclear reactor technology, sources in Berlin said on September 18.

Economy minister Karl-Theodor zu Guttenberg of the conservative CDU/CSU party has scheduled the start of the research on next generation reactor types for October 1, just after Germany's general election on September 27.

Germany passed a nuclear phase-out law in 2002 banning the construction of new nuclear plants. At that time, the government was formed of the social democrats (SPD) and the Green Party.

The law is an issue in the election campaigns, with the CDU/CSU lobbying for an extension of nuclear lifespans while the SPD want to keep the law as it is at the moment.

The Liberal Party (FDP), which hopes to form a coalition with the CDU/CSU, is pro-nuclear, while the Green Party is strictly anti-nuclear.

A likely compromise would be to shut down the oldest reactors ahead of schedule and transfer their remaining capacity to the newest nuclear plants in order to extend lifespans.

According to the latest polls, the CDU/CSU and FDP will get just enough votes to form a coalition government.

The commissioning of the research sparked criticism from anti-nuclear parties, who said it assumed a CDU/CSU and FDP victory.

Renate Kuenast of the Green Party said Guttenberg was trying to deceive voters about his real intentions about the nuclear industry by postponing start of the research until after the election.

The study is scheduled to take three years and would be carried out by the German society for facility and reactor security or Gesellschaft fur Anlagen-und Reaktorsicherheit.

Government rows over nuclear report ahead of election

The nuclear issue came under the election microscope on September 16 when environment minister Sigmar Gabriel (SPD) criticized the science ministry, under Annette Schavan (CDU/CSU), for holding back a report supporting the construction of new nuclear plants.

German media said the science ministry under the conservative (CDU) minister Annette Schavan was postponing publication of the report which supports construction of new nuclear power plants in order to avoid a public nuclear debate ahead of the poll.

Nuclear power currently accounts for just under 20% of Germany's electricity supply but is due to be phased out.

Gabriel said holding back the report made it "obvious that nuclear energy plays a far more important role in the plans of the 'Union' [conservative party] than they would openly admit."

The report "Concept for an integrated energy research program for Germany," was commissioned by the science ministry and handed to it in June but is not to be made public until October, media reports said.

In the report over 100 scientists demand the construction of new nuclear reactors and propose looking for new sites in Germany for final storage of nuclear waste, media said.

Citing from the report, media said Germany "could be part in the future of the development and construction of new nuclear reactors" and that "nuclear energy offers a good base energy supply without CO_2-emissions".

German chancellor Angela Merkel (CDU), has described nuclear power as a "bridge technology" that was only to be used until alternatives become viable.

The previous government passed a nuclear phase-out law in 2002 banning the building of new nuclear plants and limiting existing ones to an average lifespan of 32 years, based on remaining allocated capacity.

Hamburg to support domestic power plants

The German city-state of Hamburg is to support energy provider Lichtblick and Volkswagen's domestic power plant initiative with €2 million ($2.93 million) in order to install the devices in public buildings, the urban development agency of the city said on September 16 in a statement.

Lichtblick and VW announced on September 9 that they would cooperate in providing private households and offices with autonomous mini heat and power plants that are to be interconnected into a decentralized 2GW gas power plant.

The city department said it planned to install 100 of Lichtblick's and VW's domestic power and heat plants in public buildings in the next two years, "making Hamburg the first place in Germany to introduce a decentralized power and heat plant."

The "EcoBlue" gas-fired power plants by VW will be able to supply households and public buildings with heat while being interconnected into one decentralized power plant of a total capacity of over 2,000 MW, according to the statement.

Hamburg's environment senator said "the concept could develop into an important contributor in achieving sustainable and climate friendly power supply."

The installation cost for clients is scheduled to be €5,000 ($7,337) and Lichtblick said it planned to gradually expand the offer on a national level throughout 2010.

"Lichtblick will connect 100,000 domestic households into Germany's biggest gas power plant," Lichtblick chairman Christian Friege said earlier in September.

The concept, according to the two companies, is for the installations to produce electricity only when there is demand and while power is being produced, the generated heat is to be stored and used on location.

In the long term, Lichtblick said it planned exclusively to use biogas for the facilities.

The city-state of Hamburg is Germany's second biggest city.

The Netherlands

Infrastructure plan "old wine in new bottles": user group

The Dutch Energy Council, the Energieraad, has published proposals for a national infrastructure plan for power and gas grids in an advisory report requested by the Dutch government that was published in early September.

The proposal was immediately dismissed by Hans Grunfeld of Dutch energy users' association, VEMW, who described it as "old wine in new bottles."

The report said a bigger role for the state was a logical consequence of the decision to keep energy networks in public hands following ownership unbundling. This implied, it said, a smaller role for the regulator, who would concentrate on operational issues, and more headroom in tariffs for long-term investments, some of which need to be planned for before the energy industry's investment plans are known.

But the VEMW said this would weaken the regulator and Grunfeld accused the Energy Council of wanting to "set the clock back ten years".

The solution to funding investment is not tariff increases, according to VEMW, but paying lower dividends and making power plants pay their fare share of network costs.

The Network Industry Association, Netbeheer Nederland, has welcomed the report and called on the minister of energy, Maria van der Hoeven, "to move rapidly to implement the recommendations." It described the proposals as "constructive" and said an infrastructure plan would be a useful tool in providing certainty when entering into financial commitments. The market would benefit, it said, because the network operators would be able to be proactive in creating connection opportunities and that would enable them to achieve economies of scale.

Grunfeld of VEMW in contrast says "this is a return to the central planning of energy supply of the last century and ignored the savings of almost €2 billion ($2.9 billion) since deregulation." He accused the Energy Council of not substantiating its arguments adequately.

Norway

Statkraft to merge Sor-Trondelag power grids

Norwegian utility Statkraft said on September 16 that subsidiary Trondheim Energi and counterpart TronderEnergi have agreed to merge their two separate power distribution grids in Sor-Trondelag, Norway.

The merger is expected to be completed by January 1, 2010, by which point TronderEnergi will have a 51% stake in the merged company. It will also commit to purchase the remaining 49%, but no sooner than three years later, by about January 1, 2013.

Statkraft said merging the grids will make the company one of the most effective grid operators in Norway, which could possibly offer customers lower grid tariffs and the owners a higher return on their capital.

"As the owner of Trondheim Energi we consider the merged company a natural consequence of our ambition to help create a better and more efficient distribution grid activity in Norway," said Statkraft executive vice president Jon Brandsar.

Spain

Ministry urges utilities to buy Spanish coal

The Spanish government is urging power generators to source coal from Spain rather than imports after the energy secretary and a new senior official at the industry ministry held a meeting with major power utilities.

State energy secretary, Pedro Marin, and the new director of energy policy and mines, Antonio Hernandez, met with the country's utility bosses and urged them to buy Spanish coal to help the stricken coal sector.

"It was a demand, not a request," an Endesa source told Platts.

But the notion could prove controversial given that it would mean higher costs for the utilities that can source cheaper coal abroad, and could also skew their generation portfolios away from renewable energy. Renewable power generators and even gas-fired generators are concerned that a renewed emphasis on domestic coal could damage their prospects.

While Marin would not confirm if the request would become a legally binding requirement, the Endesa source said it was "quite serious and could become a decree".

In 2007 Spanish coal accounted for just 13.8% of all coal consumed in Spain, which is used predominantly in power generation.

Not only is Spanish coal more expensive than imported variants, it is also poorer quality resulting in high levels of CO_2 when burned. Under EU rules, Spanish mines will need to invest in technology to make their coal cleaner and reduce its impact on the environment, if they want to continue receiving state support beyond 2011.

Utilities to pay back €1.2 billion for free emissions rights

Spain's energy regulator, the CNE, has a issued a directive ordering the country's major utilities to pay back €1.2 billion ($1.76 billion) they received in free EU emissions allowances for 2007 and 2008.

The CNE has determined that the utilities passed on costs to consumers equivalent to this amount despite getting the emissions rights for free under the 2008-2012 National Allocation Plan. A Royal Decree passed in April authorizes the CNE to recoup the excess to help pay down the tariff deficit – money that is in turn owed to utilities for having offered regulated tariffs at below-market rates.

Most of the €1.2 billion – over €1.1 billion – relates to costs that the utilities passed on in 2008, at a time when the tariff deficit reached €4.5 billion. Only €42.9 relates to costs they passed on in 2007, while it is estimated that the utilities will have to return a further €450 million for 2009 emissions rights.

Spanish businesses less likely to switch to electric cars

Spaniards are less attracted to electric vehicles than other European nationals, a study published by the Company Vehicles Observer this month shows. The study commissioned by the Arval car rental company, found that only 12% of Spanish businesses were considering switching their car fleets to electric vehicles in the next three years, compared with a European average of 18%.

Big companies in Spain are even less likely to switch to electric cars than small and mid sized enterprises. Only 11% of big companies are considering the switch according to the report, compared with 24% in Europe as a whole, while for SMEs, 13% of Spanish companies are considering making the switch by 2012, compared with 15% EU-wide.

The researchers quizzed 3,500 car lease agencies who handle company car accounts in 12 European countries and found that just 55% of Spanish companies would consider even including some electric vehicles in their fleet compared with 65% of French companies and 73% of British businesses.

This is not reassuring for the Spanish government with the industry ministry, keen to promote electric vehicles, recently launching the *Movele* project to install electric vehicle charging stations in major cites.

Madrid, Barcelona and Seville have so far signed up to the program. Madrid already has 36 charging points and aims to increase this to 280 in three years. Madrid is also offering tax rebates of 75% and free parking for owners of electric vehicles.

Barcelona aims to install 191 charging points, while Seville aims to have 75.

ESBI gets OK for 860 MW CCGT

Irish energy company ESB International has received administrative authorization from the Spanish ministry of industry to build a new combined cycle power plant in the country, a company spokeswoman said on September 10.

"ESB International received an administrative authorization from the Spanish Ministry of Industry for its power plant project in Asturias," the spokeswoman told Platts.

The plant, to be built in the northern region of Asturias, will be the second combined cycle plant ESBI has in Spain. The other plant is in the province of Bizkaia also in the north.

ESBI is looking at an investment of €600 million ($870 million) in the 860 MW plant, Spanish daily Cinco Dias said on September 10. The ministry of industry was not immediately available for comment.

ESBI is a wholly-owned subsidiary of Irish power utility ESB.

Iberdrola, Endesa challenge length of nuclear plant license

Iberdrola and Endesa have appealed a July 3 decision by Spain's Ministry of Industry to renew the operating license of their Garona nuclear reactor for four years only, rather than for another full ten-year licensing period.

According to a statement posted on the web site of plant operator Nuclenor on September 14, the plant owners decided to appeal the operating license decision to the Audiencia Nacional, the National Court's Division of Administrative Litigation.

On June 5, Spain's nuclear regulator, the Nuclear Safety Council, approved with conditions, a ten-year operating license until 2019 for the 466-MW Garona plant, the oldest of Spain's eight operational reactors.

However, on July 3, the ministry granted Garona a license renewal until only 2013, a date which coincided with some of the conditions for continued operation imposed by the safety council or CSN.

In approving the ten-year license renewal, the CSN said that operation beyond 2013 was contingent on three conditions: improvement to the function and monitoring of the isolation of containment penetrations; meeting new requirements for independence of electrical circuits and equipment; and improvements to plant fire protection equipment and programs.

A fourth condition for continued operation was that Nuclenor install a new system for treating the build-up of radioactive gases in containment under accident conditions, but that was required to be completed before the end of Garona's 2011 refueling outage.

In its appeal to the court, Nuclenor said it believes there are "solid arguments" for running Garona through the full ten-year period. Nuclenor said that not only had the CSN given favorable assessments of the plant, but "five teams of international inspections agencies" over the last 12 years had done so as well.

Switzerland

End-user group calls for tariff cuts or windfall taxes

The Swiss major energy users association GGS has called for either a revision of the current electricity market law (Strom VG) or a windfall tax on profits from power trading to claw back the gains that Swiss power producers are making through international power trade.

In a position paper published this month, GGS spokesman Walter Muller calls for legislation requiring the utilities to supply power at cost-prices or face windfall taxes.

GGS members are angry that Swiss power prices have risen steadily at a time when the cost of generation from the country's largely depreciated generation fleet is at all-time low of around Sfr0.045/kWh (€0.029/kWh, $0.043/kWh) on average, or less. In some cases, hydro power is generated with costs of Sfr 0.02/kWh.

Yet despite record profits in 2008 and 2009, GGS complains that end-user tariffs rose by between 20 and 70% over the same period, harming the profitability of industrial consumers including steel mills and foundries. These increases might lead to the "deaths of certain companies," Muller warned.

But the higher Swiss prices reflect the prices Swiss producers can earn from power exports – the industry raked in Sfr2.2 billion through export sales to other European countries in 2008, and, all in all, the 200 largest utilities posted combined profits of Sfr3.48 billion, on sales in the domestic market totaling Sfr8.5 billion in the same period.

Muller said the utilities should slash tariffs and face windfall taxes to compensate consumers for high prices that bear no relation to current costs.

UK

Northern Ireland's NIE Energy cuts power tariffs by 5%

Northern Ireland's incumbent electricity supplier NIE Energy is to cut its electricity tariffs by 5%, the region's Utility Regulator said on September 15.

This is the second reduction in electricity bills in 2009, following a 10.8% cut at the start of the year, the regulator said. NIE Energy carries out its annual tariff review in consultation with the Utility Regulator.

Utility Regulator chief executive Iain Osborne said in a statement that regulatory scrutiny of tariffs ensured that cost reductions were passed on quickly.

"During 2009, this has meant that electricity bills in Northern Ireland have fallen more quickly than other parts of the UK or the Republic of Ireland," he said.

Falling wholesale power costs have been the primary reason for both residential and business customer electricity price cuts during 2009, he said.

"This 5% reduction in power costs is less than we saw in gas," Osborne said. "This is chiefly because consumers [have already seen] two-thirds of the reduction (the 10.8% drop in January), and also because some costs have gone up (eg, because of falling sales)."

While Northern Irish wholesale and generation costs have fallen by 31%, the regulator said this did not equate to a similar cut in consumer bills as generation costs only made up 72% of the typical bill in October 2008.

"Therefore the generation cost decrease equates to 22% reduction in tariff terms which is made up as follows: 10.8% reduction passed to consumers in January 2009; 5% reduction to come into effect October 1; and 6.2% offset attributable to additional factors," such as network costs and under-recovered tariff costs, the regulator said.

Also on September 15, Firmus Energy, the Northern Ireland gas supply offshoot of the Republic of Ireland's gas company, Bord Gais, announced a 17.7% reduction in its domestic tariffs, equating to annual savings of £96 for its customers.

Firmus Energy supplies towns and cities including Londonderry, Limavady, Ballymoney, Ballymena, Coleraine, Craigavon, Banbridge, Newry and Armagh.

Another company, Phoenix Gas, is the main supplier in Belfast. On September 10, Phoenix Gas said it was cutting its prices by 19%, equivalent to saving householders £104 (€116, $170) a year.

The Consumer Council for Northern Ireland said consumers of NIE would be "very disappointed" by the 5% price drop given the tariff reductions by the other companies.

"While any reduction is welcome, today's announcement equates to an annual saving of just £26, that's 50 pence per week off the average electricity bill – negligible for those currently in fuel poverty," said Consumer Council chief executive Antoinette McKeown.

"Coming after a 40% reduction in wholesale fuel [prices] over the last year and after Phoenix's decision last week to reduce bills by 19%, and Firmus today by 17.7%, consumers will understandably be very disappointed," she added.

"The Consumer Council believes the system by which electricity is purchased and prices are determined is transparent but flawed, and costs consumers more money," said McKeown.

EMISSIONS

EU

Energy, metals, chemicals exposed to CO_2 leakage risk

EU government experts have approved a draft list of 164 industrial sectors and sub-sectors, including energy, metals and chemicals, deemed to be exposed to the risk of carbon leakage, the European Commission said on September 18.

The EU's heavy and energy intensive industries lobbied hard for concessions from the new rules for the EU emissions trading scheme which will apply from 2013. They argued that stricter EU carbon emission restrictions would force sectors competing in global markets to relocate to regions with less strict emission rules. This process is called carbon leakage.

EU governments allocated nearly all the available ETS allowances to industrial and power sectors for free up to 2012. But from 2013 industrial sectors will have to pay for 20% of their ETS allowances in 2013, rising each year to 70% in 2020.

Power generators, with some exceptions, will have to pay for all their ETS allowances from 2013.

But installations in the industrial sectors on the draft list "will receive a higher share of greenhouse gas emission allowances free of charge than other industrial sectors" from 2013, the EC said.

The sectors on the draft list include: hard coal mining; coke oven, chemical, steel, iron, aluminum, copper, steel tube, furnace and fertilizer production; oil and gas production; oil refineries and nuclear fuel processing.

The list has to be approved formally by the European Parliament and the 27 EU national governments, acting in the EU Council, in the next three months. The EC said it hopes to be able to adopt the list formally by the end of the year.

"If the list is not revised it will apply for five years, until 2014, but sectors can be added to the list during this period," said the EC. "A new list would apply for the period 2015-2019."

The EC said it may revise the list in light of the global climate agreement due to be concluded at Copenhagen in December, if the agreement reduces the risk of carbon leakage.

The EC estimates that the sectors on the list account for about a quarter of total emissions covered by the EU ETS.

"The actual number of free allowances that industrial installations will receive will be decided in 2011," said the EC. "This will be done on the basis of common performance benchmarks which should be determined by the end of 2010."

The benchmarks are to reflect the average performance of the top 10% most efficient installations, said the EC. "Given the stringency of the benchmarks, only the most efficient installations have a chance of receiving all of their allowances for free."

CO_2 standard 'would do nothing to cut emissions': Eurelectric

An emission performance standard for CO_2 twinned with the Emissions Trading Scheme would do nothing to improve carbon abatement in the European Union, serving only to promote construction of more gas-fired power generation capacity, electricity association Eurelectric told Platts on September 15.

Eurelectric was responding to calls from environmental group WWF for CO_2 performance standards to be allowed under the EU's proposed Industrial Emissions Directive, currently before the Council of Ministers.

WWF wants to see member states allowed under the IED to set a regulated per kilowatt-hour value on CO_2 emissions from large industrial plant, effectively ensuring that no new coal-fired power stations are built in the EU without carbon capture and storage equipment.

"I'm not sure how coupling the ETS with emission performance standards would assist in any way," said Owen Wilson, chairman of Eurelectric's Environment and Sustainable Development Policy Committee. "In the first instance an EPS would not reduce emissions of CO_2 by one extra gram. If applied at a national level, the member state involved would incur additional costs while the benefits would accrue to other member states."

Reducing demand for CO_2 allowances in one member state would drop the price for EU allowances, Wilson said, but the ETS cap would still be met. "So the ETS cap would still be the driving policy objective, determining the level of effort in the EU. A national EPS would merely see a member state doing more and everyone else doing less."

If an EPS was applied at a sectoral level for power, demand for allowances again may fall, "with the result that the non-power sectors would face a lower price of carbon, with the costs for the power sector increasing. So again there is no CO_2 benefit," Wilson said.

The Eurelectric official could not see how an EPS would accelerate development of carbon capture and storage "without any complementary requirement that no gas-fired plant be built. Essentially an EPS by itself would confirm that all future investments would be in gas-fired plant," he said.

Getting European Council agreement for an EPS would be a lengthy process, Wilson said. "There was criticism that the negotiations around the revised ETS cap for 2012-2020 resulted in a diluted cap, and I can't think there would be any less political process in implementing an EPS regime. If there is policy concern about the rate of carbon reductions, then it should be focused on the ETS cap itself," Wilson said.

Wilson noted that an EPS on CO_2 was "all very well if you have a technology [in this case, CCS] that can deliver." There is a long way to go, however, before CCS is established, "both technologically in terms of identifying secure storage sites, and politically in getting people to accept stores located under their towns and houses," Wilson said.

Aviation sector 'should face 100% carbon auctioning': UK censors

The aviation sector should face 100% auctioning of EU Allowances under the EU Emissions Trading Scheme to avoid windfall profits for airline companies, the UK government's Committee on Climate Change said September 9.

In a letter sent to UK Transport Secretary Lord Adonis and Energy and Climate Change Secretary Ed Miliband, the independent committee warned the government that if aviation emissions are left to grow unchecked, they could account for 15%-20% of all CO_2 produced by 2050, posing a threat to the world's climate.

The committee said it supports the inclusion of aviation emissions in the EU ETS from 2012 "but emissions allowances should be fully auctioned to prevent airlines benefiting from windfall profits that would ensue under a free allocation system."

But in an interview on September 8, Committee on Climate Change CEO David Kennedy said the committee was not necessarily advocating 100% auctioning for the aviation sector in the EU ETS immediately at the point when the sector enters the scheme in 2012.

"We don't see a good reason to have free allowances. We look at the experience in the EU ETS sectors and we're particularly aware of what happened on electricity here in the UK," said Kennedy.

"These schemes are not there to print money for whoever is in the scheme. You can argue that that has happened to an extent in the electricity industry. We see a situation where allowance prices will be factored into end-user prices in aviation, and if that's the case there will be windfall profits unless you have auctions," he said.

Kennedy said the committee supports 100% auctioning of EUAs for the aviation sector by 2020, "so we're not expecting that you would have 100% [auctioning] in 2012, but as quickly as is practical…We're recommending a phased move to 100% auctioning in the EU ETS and as quickly as possible to 100% auctioning within a global scheme, if we can agree a global scheme."

Kennedy stressed that the committee's recommendations represent an "ideal" design.

"We're not speculating on the challenges and difficulties in negotiating a global deal and the compromises that might have to be made. We've been asked: 'what does the ideal scheme look like.' It's now for the politicians, here and in other countries, to go and negotiate that ideal or as close to it as they can get," he said.

Under the EU's legislation for bringing aviation into the EU ETS, aviation emissions will be capped based on the average level for the years 2004-2006 and airline operators will be given an allocation of EUAs on the basis of a harmonized efficiency benchmark.

Some degree of flexibility may be given to EU member state governments with regard to the proportion of EUAs to be auctioned to airlines.

"Our understanding is that there is a fixed level of auctioning for aviation. That will be 15% and will stay there," he said.

Kennedy said a tough approach to the aviation sector would not necessarily harm the industry, because there is scope for further efficiency improvements in terms of emissions reductions.

"Certainly developed countries should try to get back to 2005 levels in 2050. You can do that through carbon efficiency improvement of planes that's based on technology and innovation – more efficient engines and better aerodynamic design…Those are evolutionary changes that can get you quite a way. Fleet efficiency improvement every year [could be achieved] in the range of 1%-2%," he said.

Other more radical wing designs could help improve aerodynamics and cut fuel burn, and the use of biofuels could also reduce net emissions to the atmosphere from aviation, although the land requirements for biofuel crops must be carefully assessed to avoid displacing agriculture, he said.

"We may need to think about constraining demand growth. And certainly if you can't do a lot on the carbon efficiency and biofuels...then we'll have to look at demand," he said. "We're not saying we have to reduce demand. It's more that you have to think about constraining growth in demand. People can still go on holiday abroad...But if you think about people getting richer and wanting to spend three holidays a year on a long-haul destination, there probably isn't going to be room for that," said Kennedy.

In the September 9 statement, the committee said: "All aviation emissions must be capped either through a global sectoral deal or by including international aviation emissions in national emissions reductions targets."

It said any international agreement to reduce emissions should be ambitious and "no less than that already agreed by the EU, which requires a 5% reduction in net emissions from 2013-2020."

Revenues accrued via auctioning of allowances are one of a number of potential sources of funding for climate change adaptation that should be agreed at UN climate talks in Copenhagen in December, the committee said.

"Emissions trading and offsetting offer useful short – to medium-term flexibility for meeting aviation targets, but in the long-term, the aviation industry should plan for deep cuts in its own CO_2 emissions, with developed countries keeping aviation emissions at 2005 levels by 2050," it said.

Rich nations must pay for world climate, poverty goals: World Bank

Developing countries can shift to become low-carbon economies as well as achieving growth and reducing poverty, the World Bank said in a report on September 15.

But the bank warned that this goal can only be achieved if rich countries provide financial and technical assistance to poorer nations, and they must act now to cut their own greenhouse gas emissions, it said.

High income countries "need to act quickly to reduce their carbon footprints and boost development of alternative energy sources to help tackle the problem of climate change," the World Bank said in a statement accompanying its World Development Report 2010.

The bank said since industrialized countries bear the main responsibility for GHGs that have accumulated in the atmosphere, they must act now to protect the climate.

It said the costs to do this will be "high but still manageable," and a key way to achieve the goal is by increasing funding for emissions mitigation in developing countries, where most future growth in emissions will occur.

The World Bank said research and development investments of between $100 billion (€69 billion) and $700 billion/year will be needed to transform the world's energy systems in coming decades – a major hike from the $13 billion/year of public funds and $40 billion to $60 billion/year of private funds currently invested.

"Countries need to act now because today's decisions determine both the climate of tomorrow and the choices that shape the future," the bank said.

"Countries need to act together because no one nation can take on the interconnected challenges posed by climate change, and global cooperation is needed to improve energy efficiencies and develop new technologies," it said.

"Developing countries will bear most of the costs of the damage from climate change. Many people in developing countries live on physically exposed locations and economically precarious conditions, and their financial and institutional capacity to adapt is limited," the bank said.

Developing countries need massive expansions in energy, transport, urban systems and agricultural production, and increasing access to energy and other services using high-carbon technologies will produce more GHG emissions, driving further climate change, it said.

The World Bank also warned that many developing countries are already diverting an increasing proportion of their development budget to cope with weather-related emergencies.

However, the bank's report found that existing low-carbon technologies and best practices could reduce energy consumption significantly, saving money. Industry and the power sector could cut energy consumption by 20-30%, helping to reduce emissions without sacrificing growth, it said.

In addition, many measures to cut GHG emissions can also deliver significant benefits in environmental sustainability, public health, energy security, and financial savings, the bank said.

The World Bank's report comes ahead of crucial international climate change talks set for Copenhagen in December which aim to agree a successor treaty to the Kyoto Protocol.

A major sticking point in the UN-led negotiations has been the question of who must cut emissions by how much, and who should pay (*see page 3*).

France

Carbon tax to start at €17/mt

France will introduce a tax on carbon emissions for fuel and transport from 2010, with a starting price of €17/mt ($24.75/mt), President Nicolas Sarkozy said on September 10.

Speaking at Culoz, in the Ain region of southeastern France, Sarkozy said "We have decided to base ourselves on the market price."

"Companies and households will pay the same price – that is, €17," he said in a speech broadcast on the Public Senat channel.

Broken down, this translates into a rise of about 4.5 euro cent per liter of fuel oil and diesel, 4 euro cent per liter of petrol and 0.4 euro cent per KWh of gas, according to the president.

He added that electricity will not be subject to the tax owing to low carbon levels emitted by the country's nuclear-dominated generating fleet, confirming an earlier statement by French prime minister Francois Fillon.

Describing the new ecological taxation measure as "revolutionary" and a "strategic choice," Sarkozy emphasized that both households and companies would be compensated for the additional cost resulting from the tax.

"I make a commitment ... whatever the future evolution of the carbon tax the compensation will increase in exactly the same way," the president said.

For taxpaying households, this will be in the form of a reduction of income tax, while households that do not pay income tax will receive a refund through a "green check" system. Refunds will be greater for families that are less able to use public transport, such as those living in rural areas and those with more than two children

"Income tax reduction will be simultaneous and will correspond exactly to the amount paid out in carbon tax," Sarkozy said.

For companies, the tax "will not penalize competitiveness." Businesses will be compensated for the extra cost of the "climate-energy contribution" through the abolition of the part of the country's professional tax that applies to investment.

An independent commission will be put in place to monitor the application of the 100% compensation policy and to keep track of the evolution of carbon tax revenues received, the president said.

The president did not go into detail about future increases to the tax. The government-appointed Rocard committee in July called for a starting levy of €32/mt, rising to €100/mt in 2030 and €200/mt in 2050.

A lower starting price than that recommended had been anticipated since September 10 last week, when Francois Fillon referred in to a "market price" of €14/mt.

Greenpeace slams "lack of ambition"

However, environmental campaign group Greenpeace France criticized the president's "lack of ambition," saying the €17/mt starting price showed an interest for the environment that is "only an electoral tactic." The government had ignored the consensus that a carbon tax below €32/mt would be ineffective, it said. "Below this threshold, the CCE [climate-energy contribution] will not push the French to change behavior," the group said, echoing the conclusions of the Rocard committee.

"For 20 or so years we've only been able to stabilize our emissions," the committee's report said in July, adding that the only way to modify the behavior of consumers and industrials is through a strong price signal.

Greenpeace also attacked the decision to exclude electricity from the tax, saying that restraint in the use of all energy sources was part of the behavioral adjustments needed to tackle climate change. "In excluding electricity from the CCE, Nicolas Sarkozy shows he has not understood that we are in [a] situation of climactic urgency," it said.

GAS

Bulgaria

Minister hits back at attack by President on energy

Bulgaria's economy minister Traicho Traikov on September 9 defended the country's new government's policies regarding energy following a scathing attack on September 8 by Bulgaria's President Georgi Parvanov, the Sofia News Agency reported.

Traikov said the statements by Parvanov, which were published in an extensive article on the President's website, were "baseless, unacceptable and harmful."

Traikov, quoted by the information agency BGNES, said if the previous government had not been so slow in moving forward with three key Russia-backed energy projects, they would have made more progress.

Bulgaria's new center-right government, elected this summer, has cast doubts over whether it would proceed with three major energy projects involving Russia and Bulgaria – the South Stream natural gas pipeline, the Burgas-Alexandroupolis oil link and the Belene nuclear power station.

The government said it wanted to review the projects to ensure they were in the national interest and with a view to reining in budget spending.

Since then, Bulgaria's Prime Minister Boyko Borisov has said his government still supported South Stream and Belene, but said major concerns still existed over the viability of Burgas-Alexandroupolis because of environmental worries.

In a recent meeting with his Russian counterpart Vladimir Putin, Borisov said Bulgaria's reviews of the projects should be completed by November.

President Parvanov, in his article, accused the new government of a lack of competence in energy.

"Representatives of the new government have made many contradictory statements on major energy projects, without [understanding] the problems," Parvanov said.

"Prime Minister Borisov was clearly unprepared for talks with his counterpart Vladimir Putin," he said.

Parvanov said Bulgaria has much to gain from supporting energy projects involving the country.

"Our country must confirm its willingness to participate in major natural gas transmission projects. Nabucco and South Stream are required for European energy security and meet our national interest. It is important in the future our country should be established as major transit country gas supply in the southern European destination," he said.

Risk of losing out on projects

He warned that the slow progress in committing to these projects could see them routed away from Bulgaria. "The slow and unjustified Bulgarian policy can lead to projects circumventing Bulgaria, as has already happened with the Blue Stream project," he said. Blue Stream is a gas pipeline under the Black Sea from Russia to Turkey.

Parvanov also criticized his government for not holding talks with Russia over a new long-term gas supply agreement. "It is unexplained why the Prime Minister and his team did not raise the question of a new long-term contract with Gazprom in order to achieve better and more flexible conditions for the supply of gas by 2030," he said.

Bulgaria was one of the countries in the EU worst hit by the cutoff of Russian gas supplies in January this year because of a pricing dispute with Ukraine.

Parvanov said all three projects – South Stream, Burgas-Alexandroupolis and Belene – could contribute to "strengthening our national security."

"Their implementation requires a combination of different economic, market and technological policies, effective coordination between institutions and departments, and new forms of public-private partnership and collaboration with business, academics and the NGO sector," he said.

Regarding the new government, the President was clear that action was needed.

"The election campaign is over. It is now time to demonstrate managerial qualities and skills," he said.

"There is a deficit of competence in the energy policy of this government – the leader is not required to know everything, but should be able to take informed and reasoned decisions."

"There is another way – ignorance. But for how long? And at what cost?"

Projects still alive: Russian minister

However Russian energy minister Sergei Shmatko said in a statement on September 21 that Bulgaria would pursue all three major projects that the two countries had been working on before the Bulgarian elections this summer raised questions about the projects' future.

Shmatko went on a two-day visit to Bulgaria on September 18 to address the state of play of the projects.

"Our Bulgarian colleagues expressed a clear understanding of the necessity for continuing cooperation between the two countries in all the main energy projects," Shmatko said in the statement, which suggested that the talks had not been easy. "We understand their extremely pragmatic and involved approach to the details and particulars of each project," he said.

Bulgaria's Prime Minister Boiko Borisov said: "Russia demonstrated the utmost openness and readiness to convey information," according to the statement.

His energy minister, Traicho Traikov, said: "The talks were very intensive, but all projects must be based on transparency and have clear legal foundations and a structure for financing."

Following the talks, two working groups will very soon be set up to work on the South Stream gas pipeline project with more urgency, the statement said.

Although the statement did not explain how the two sides would tackle the Burgas-Alexandroupolis oil pipeline, which is planned to bypass the busy Bosporus, a ministry spokeswoman said that during the meetings, Russia agreed to transfer "in the very near future" all the information it was asked for, so that Bulgaria could decide how to take this project further. "All the projects will be carried out," she said.

In the past Bulgaria has objected to it on environmental and also on economic grounds – with Russia planning to send more of its oil to the Mediterranean through Turkey, another pipeline bypassing the Bosporus might not be necessary.

EU

Poland and Czech Republic in talks to build gas interconnector

Poland and the Czech Republic are working on a plan to build a gas interconnector between the two countries, the Polish state-owned gas transmission system operator, Gaz-System, said on September 9.

Poland is seeking ways to diversify its supplies and lessen its dependence on Russian gas.

Gaz-System projected that the interconnector will allow the transport of about 500 million cubic meters of gas annually from the Czech Republic to Poland. It added that the line will allow gas shipments from Poland to the Czech Republic – but only in emergencies and with limited capacity.

The pipeline systems of both countries would connect near Cieszyn in southwest Poland. The interconnector is scheduled to be commissioned in January 2011, Gaz-System said. The company said a Capacity Allocation Procedure shall be conducted separately by both Gaz-System and the Czech TSO, RWE Transgas Net, to assess the market demand for gas.

The study's findings will be used to determine whether the project will proceed.

Currently Poland is able to import gas from western Europe through its existing interconnector with Germany at Lasow, on its western border.

Radoslaw Dudzinski, strategy director and deputy CEO of Poland's dominant gas company, PGNiG, told Platts in July that the company was in talks with the Czechs about tripling the capacity of the Cieszyn interconnector to allow it to access the Baumgarten hub in Austria.

PGNiG currently sources 70% of the country's gas needs from Russia and aims to reduce that to around 50% by increasing imports from the west. PGNiG imported 0.8 Bcm of gas from Germany in 2008.

Spain's foreign minister urges EU haste on France-Spain link

Spanish foreign minister Miguel Angel Moratinos has urged the EU to move quickly in awarding finance that will help fund a proposed gas interconnection between Spain and France,

In a meeting with other EU foreign ministers on September 13, Moratinos said the pipeline would help Spain to be able supply gas to other EU countries in the event of a crisis like that triggered by the Russia-Ukraine gas price dispute.

The EU identified the Spain-France gas axis as one of several priority infrastructure projects to be supported through the award of €1.9 billion in EU funds under the economic recovery plan. The EU has earmarked €225 million for the France Spain interconnector.

Moratinos said bolstering the existing Larrau and Irun pipelines between the two countries would allow flows of up to 7 Bcm between the two countries by 2013, but also called on reinforced connections between Spain and Algeria, as the North African country is the source of much of the gas that flows through Spain and could ultimately supply other EU countries.

He said Spain had been able to escape last winter's crisis primarily because it relies on gas from Algeria and LNG.

France

French utility giants agree pipeline deals with Russia

French national energy champions GDF Suez and EDF are close to closing deals with the Russian government on taking a stake in both the planned Nord Stream and South Stream gas pipelines, respectively, it emerged on September 15.

A spokeswoman for GDF Suez said the company will buy extra Russian gas if its talks on taking a 9% stake in the Russian-led Nord Stream project are successful. “GDF Suez is in discussions with the Nord Stream consortium with a view to taking a 9% stake in the project. This participation would be coupled with some additional purchases of Russian gas,” the spokeswoman told Platts, giving no details.

“Discussions continue,” she said. She declined to say if the pipeline deal would be concluded by October, as reported by Russian newswire RIA Novosti a day earlier.

Russian Prime Minister Vladimir Putin met his French counterpart Francois Fillon on September 14 to discuss the project, according to a Russian government statement.

The 55 billion cubic meters/year Nord Stream pipeline project is planned to transport gas from Vyborg in Russia to Greifswald in Germany.

Meanwhile, a spokeswoman from French state-controlled power major EDF confirmed to Platts on September 16 that the company is in talks with Russian gas giant Gazprom to join the South Stream gas pipeline project, following reports in Russian daily *Kommersant* that the French firm is close to acquiring 10% equity in the South Stream gas pipeline project and set to sign several long-term gas supply contracts with Gazprom. An agreement could reportedly be signed at the end of September as part of Gazprom CEO Alexei Miller’s visit to France.

“Pierre Gadonneix said EDF is in talks to join Gazprom South Stream pipeline and that no agreement is expected to be reached soon,” the spokeswoman said, referring to what EDF CEO Pierre Gadonneix said at a parliamentary hearing earlier on September 16.

The spokeswoman was unable to say what percentage stake EDF is hoping for in South Stream.

AFP had reported that EDF CEO Pierre Gadonneix told the parliamentary hearing at the Assemblee Nationale, France’s lower house, that EDF needs a “gas resource” to supply its gas-fueled power plants and that its clients increasingly expect the utility to be able to supply both power and gas. The company needs “long-term access to gas at the same price as our competitors,” he said. “The idea of being next to the Italians with Gazprom is very good news in the diversification of supply,” Gadonneix told the hearing. Italian utility Eni is currently Gazprom’s main partner in the project.

Cautioning that the company was still “very far” away from a deal, Gadonneix added: “It’s [just] a project but it’s clear that we have [been in] discussions for some time on this.”

At an estimated cost of €8.6 billion ($11.6 billion), the South Stream project involves the construction of a 900 km, 63 billion cubic meters/year capacity pipeline from Russia under the Black Sea to Bulgaria and then onward to the heart of Europe.

Gazprom refused to comment on September 16 on the EDF South Stream discussions or on the possibility of France’s GDF Suez buying more gas through the Nord Stream pipeline project.

Italy

Adriatic LNG terminal sends first gas to national system

Italy’s Adriatic liquefied natural gas terminal offshore Porto Levante has begun distributing gas to the country’s national system, Adriatic LNG said on September 16.

“Following cool-down, the terminal commenced gas distribution to the Italian gas system on September 6,” a company spokesman told Platts.

He added that the 8 billion cubic meter/year terminal will reach full operating capacity later in the year.

“Currently the terminal is in the final commissioning and testing phase and it will reach full operating capacity later in 2009,” he said.

The first LNG cargo arrived at the terminal on August 10 and was used to cool down the storage tanks and piping inside the terminal, said the spokesman. “The operations concluded successfully,” he added.

Adriatic LNG is owned by Qatar Petroleum with 45%, ExxonMobil with 45% and Italian Edison with 10%.

Some 80% of the terminal’s import capacity will be reserved to Edison for 25 years, taking in gas from Qatar’s giant North field. The remaining 20% will be for other parties; 12% has been allocated already.

The terminal could supply around 10% of Italy’s annual gas demand.

UK

North Sea operators call on government to alter fiscal regime

North Sea operators have called on the UK government to make adjustments to the fiscal regime under which they operate to encourage maximum recovery of offshore reserves.

John Manzoni, CEO of Talisman Energy, said on September 8 that the UK’s fiscal regime had always evolved, but that now it was “time for some more evolution.”

Speaking at Aberdeen’s Offshore Europe 2009 conference, Manzoni said that one policy that needs attention is tax relief for decommissioning costs.

There were assets in the North Sea that he no longer put capital into, he said, as he could get better returns elsewhere. But nor could he sell them, because the smaller operators that might want to pick up ageing fields and try innovative technologies on them could not afford to pay securities for the decommissioning costs.

Talisman is an independent producer that moved into the North Sea as the supermajors started to sell assets. But changes were now needed to unlock the next phase of development, he said.

Manzoni also pointed to plans for cutting carbon dioxide. He said that imposing stricter CO_2 limits on offshore fields could result in earlier abandonment of reserves, and the loss of up to 900 million barrels of potential production, including 50 million barrels for Talisman alone.

Older fields might need a carbon tax credit, he said. “We need a dialog focused on the right long-term objectives.”

Phase three of the European Union’s emissions trading regime, coming into force in 2013, is expected to make offshore power generators bear the costs of their emissions. Offshore production platforms can have large power consumption requirements.

Malcolm Webb, CEO of trade association Oil & Gas UK, told journalists at the conference that the UK Continental Shelf was “somewhat overtaxed,” and that “frankly we do need further changes in the fiscal regime going forward.”

Nor was there much time to act, with assets ageing: developments to the regime were needed in the next year or so, he said. But Webb hailed constructive meetings with government that had led to positive moves in the budget earlier this year, and hoped to continue this track.

UK energy minister Lord Hunt said he would take the messages he had heard at the conference on board, although he cautioned it was for the Treasury to decide on taxation.

Earlier Lord Hunt had spoken to the conference of the signs of continued interest he saw offshore the UK. He pointed to examples of major projects, including Total developing gas west of Shetland, BP appraising the Clair ridge west of Shetland, ConocoPhillips tendering for its Jasmine development in the North Sea, and Nexen’s Golden Eagle success in the North Sea.

He said he hoped the field allowance introduced in the Budget speech earlier this year would help marginal developments. He also confirmed expecting a new licensing round early next year.

In March 2009, the UK government had announced that because of the credit crunch it would not hold any licensing round during 2009, a longer gap than usual between offshore rounds.

There were still some 20 billion barrels to recover offshore the UK, Hunt said and government wanted to work with the sector to maximize recovery.

Offshore industry urged to look to renewables, CCS

With the UK continental shelf ageing and production settling into decline, the oil and gas industry needs to look to new opportunities in the renewables and carbon capture and storage sectors for future growth, delegates heard at Aberdeen’s Offshore Europe 2009 conference which opened on September 8.

Danish energy and climate change minister Connie Hedegaard urged oil and gas companies attending to seize the vast business opportunities being offered. “If you don’t, others will,” she warned.

Countries like Saudi Arabia could look to diversify into solar power and offer competition in the future green energy market, she said.

Eric Mackay of Heriot-Watt University presented the results of a joint Scottish carbon capture and storage study carried out including partners at the British Geological Survey and Edinburgh University.

Saline aquifers offshore eastern Scotland could offer the potential to store CO_2 on a level significant for all of Europe, he said. Scotland’s carbon storage potential could be comparable to Norway’s and greater than the Netherlands, Denmark and Germany combined.

Although there was much work yet to be done, he suggested Scotland might not only store the emissions from its big coal-fired power plants but might import CO_2 from northern England or continental Europe.

Mackay said that Scotland’s large storage resource was “overwhelmingly” in saline formations offshore – salt water trapped in rocks. There was some potential for storage in hydrocarbon fields, with the Brent field offering perhaps the largest opportunity, but hydrocarbon fields were not the main source of opportunity.

Industry might look in the future to produce water from saline aquifers, dumping it into the sea, and reducing the pressure in the formations to enable greater CO_2 volumes to be stored.

The conference title of Energy at a Crossroads points to a transition stage that the energy industry is in. And it started a day after one – admittedly minor – oil and gas company, Ramco Energy, said it would dispose of all its oil and gas assets to become a pure wind energy developer. Ramco believes it can use its offshore expertise to develop deepwater wind turbine projects, and that investors would rather put money into a pure green energy company.

Government science advisor warns of new ‘dash for gas’

The UK might be on the verge of a new dash for gas to fill a looming shortfall in electricity generation capacity as coal-fired power plants are forced off line by EU regulations and renewables fail to fill the gap, the government’s new science adviser said on September 11.

In an interview with the BBC ahead of taking up his post, Professor David Mackay of Cambridge University said this would be counter to the government’s efforts to cut carbon emissions and combat climate change as well as aiming for a diverse energy mix to increase security of supplies. “There is a worry that in 2016 there might not be enough electricity. My guess is that what the market might do is fix that problem by making more gas power stations, which isn’t the direction we want to be going in,” he said, blaming public opposition to wind farms and nuclear power. “We’ve got to stop saying no to these things and understand that we do have a serious building project on our hands,” he said.

Many coal-fired power plants will shut down in 2016 under the EU’s Large Combustion Plant Directive, which controls pollution. Most of the country’s ageing nuclear power plants are also due to be closed. The quickest replacement capacity to build is gas-fired power plants.

Gas only produces half the CO_2 per unit of power as a coal plant, but many commentators are worried about increased reliance on gas-fired electricity as the UK becomes increasingly dependent on imported gas.

"We really should be upping the build rate of the alternatives as soon as possible," Mackay said. Mackay has been appointed to a post as chief scientific adviser to the Department of Energy and Climate Change. The first dash for gas was in the 1990s as the UK built many new gas-fired power plants to replace coal-fired plants after the closure of many of the UK's coal mines.

Call for urgent action

In 1990 coal made up 65% of fuel for electricity generation, and gas only 0.7%, according to government statistics. By 2000 coal was down to 35% and gas up to 34%.

The government imposed a moratorium in the late 1990s on the construction of any new gas-fired power plants. This was lifted in 2000. The UK was self-sufficient in gas in 2003, but production is now declining and the country will be importing some 70% of its gas by 2016/17, according to industry estimates.

Energy and climate change minister Ed Miliband said in mid-July he hoped the new nuclear and renewable power facilities recommended in the government's new Low-Carbon Transition Plan could cut UK gas demand by 29% by 2020, reducing the country's reliance on imported gas for its energy as well as cutting climate changing carbon dioxide emissions.

The main opposition Conservative party said there was a danger of blackouts and that the Labour government was not acting fast enough on energy.

"This analysis from the government's new energy adviser...underlines what the Conservatives revealed last week – the government is now expecting blackouts for the first time since the 1970s. Ministers' response to this reality has been utterly complacent," opposition energy and climate change spokesman Greg Clark said on September 11. Some analysts believe the UK could be in danger of blackouts before 2016. Ian Parrett of consultancy Inenco said power cuts could come by 2012.

"The government needs to bring new, renewable energy projects online more quickly and people will have to make hard choices about what they want," he said in a statement.

RENEWABLES

EU

EU wind sector wants €30 billion invested in offshore grid

European power transmission system operators need to invest up to €30 billion ($44 billion) in offshore grids and interconnectors by 2020 to bring 40 GW of offshore wind online, the European Wind Energy Association said in a report launched on September 14.

"A €20 billion to €30 billion investment...is needed by 2020 to meet [EWEA's] 40 GW offshore target," EWEA's CEO Christian Kjaer told reporters in Brussels on September 11. "But consumers would get lower prices from the better working market."

The report, Oceans of Opportunity, shows that more than 100 GW of offshore wind projects are being planned in European waters, said Kjaer.

"We project €57 billion of investment in offshore wind projects between 2011 and 2020," Kjaer said, "compared with €131 billion in onshore wind."

The 100 GW and rising figure is the result of a summer 2009 survey of EWEA members' plans. "We are forecasting reaching 100 GW of installed offshore wind by 2027, spread over 19 EU countries," said Kjaer.

EWEA's target of 40 GW installed offshore wind by 2020 would avoid 85 million $mtCO_2$ and produce 148 TWh/year, said the report.

But EWEA is calling for unbundled TSOs to pay the connection costs needed to bring offshore wind power to the consumer. "There should be incentives for TSOs to do it, such as regulated tariffs," said Kjaer.

EWEA proposes specific new interconnectors needed by 2020 in its report, including new 600 MW links between Sweden and Poland and Sweden and Germany, and a new 550 MW link between Denmark and Germany.

It also proposes a new 1 GW link between the UK and Belgium, and 1 GW links between the UK, Northern Ireland and the Irish Republic.

Kjaer said the grid plan is EWEA's input into the ten-year EU grid development plan that the new European power TSO body Entso-e has to prepare under the terms of the EU's third energy package which established it.

The EU's third energy package aims to complete the EU's internal power and gas markets and create seamless EU power and gas grids.

France

Wind power grows to 4 GW, but so does opposition

France now has more than 4 GW of wind farms according to figures which are up-to-date at end-June 2009, and which were released by the French Commissioner-General for Sustainable Development. This was a 13% increase over end-2008 (465 MW) and equates to 625 wind farms in all with an average capacity of 6.4 MW. A further 297 MW of wind capacity was waiting to be hooked up to the grid.

However, the rapid growth of wind power installation is encountering a backlash in the northern Pas-de-Calais region with a call for a moratorium.

A single region, Picardy, in northern France, accounts for 13.7% of all installed wind power, a total of 547 MW. Lorraine, in eastern France, has 453 MW, so together they account for one-quarter of the total. The Nord-Pas de Calais region is seventh, with 253 MW, but the President of the General Council of the Pas-de-Calais departement, Dominique Dupilet, has written to the Prefect of the department, which is just one part of the region, saying the pace of wind farm development in the area is excessively “frenetic”. He wants the Prefect to stop issuing permits.

According to Dupliet’s calculations, there are 160 wind turbines in the Pas-de-Calais (which is on the French Channel coast), 291 construction permits have been issued by the Prefect and 191 applications are pending. Dupilet accepts the need for renewables, but argues that the current investment is not economically sustainable but based on “speculation” arising from the existence of feed-in tariffs.

He appears to fear a landscape littered with idle turbines in fifteen years time, the date on which he thinks the tariffs will disappear. The Pas-de-Calais has, he says, “already paid a heavy price for supplying France with energy” as it was a coal mining region. He argues that it is “abnormal” for a region which accounts for only 2.3% of the population to account for what he calculates is 10.7% of national wind energy output. There has been no reaction from the Prefect.

Minister drafts new feed in tariffs for solar generators

French Environment and Energy Minister, Jean-Louis Borloo, has drafted new feed-in tariffs for solar panels and plants, which are accompanied by stricter rules on integrating solar panels into the fabric and design of buildings. The new tariffs are due to take effect on January 1, 2010, but must first be approved by the Superior Energy Council. The tariffs will apply until 2012. There will also be a mechanism for a progressive decrease starting in 2013 to take into account the fact that solar energy should become progressively more economic after that.

For stand-alone solar plants at ground level, the tariff will range from €0.328/kWh ($0.48/kWh) in the sunniest regions to €0.394/kWh in northern France – in order to encourage geographical balance.

The existing tariff for solar installations on buildings is €0.602/kWh, but eligibility would be tightened to provide better guarantees to ensure solar panels are an integral part of the architecture of the building and aesthetically acceptable. A new €0.45/kWh tariff will be introduced for solar panels on other buildings, but only those with a capacity of more than 3kWh – which is around 30 square meters. This is designed to promote the installation of solar panels on large buildings.

One of the first companies to benefit from the new large-building tariff could be retailer, Casino. Sun Power Corporation of the US announced on September 8 that it will supply 14 MW of high-efficiency solar photovoltaic panels to this supermarket chain by the end of 2009. Casino Group will use the panels to install solar power systems ranging from 900 kW to 5 MW on rooftops and parking structures on supermarket locations in mainland France and the islands of Mayotte and La Reunion.

“This is the first step of a major new renewable energy initiative for Casino, which includes a pipeline of projects to be developed over the next several months,” said Casino chief real estate and development officer Jacques Ehrmann. Not all these will be on the new tariff. The announcement specified that some of the systems will be considered building-integrated photovoltaic systems under the French feed-in-tariff programme.

French solar power capacity increased by more than half in the first half of this year. Capacity was 135 MW at the end of June, an increase of 54 MW (+66%). According to SOLER, the industry association, a further 1,886 MW is in the pipeline – 996.8 MW in mainland France, and the remainder in Corsica and offshore areas.

Germany

Ministry aims to improve onshore wind power efficiency

Germany’s environment ministry said on September 15 it had opened collaboration with the country’s federal states, cities and municipalities to increase the efficiency of the country’s onshore wind turbines.

“Repowering Germany” will replace old, low capacity onshore wind turbines with more reliable and higher capacity modern ones.

The goal is to increase output and make the most of the limited onshore locations available that are suitable for wind farms while reducing environmental disturbance and cutting generation costs, the ministry said in a statement.

“The new generation of wind turbines benefits local municipalities and investors equally [and] through the process of repowering we can correct mistakes and misled developments made in the past,” said environment minister Sigmar Gabriel.

The ministry has issued a free guidebook for the repowering process with legal advice. It can be downloaded at www.erneuerbare-energien.de

Cabinet passes law for 12 GW of offshore wind power

The German cabinet passed a law on September 16 that designates areas for the construction of a total of 12 GW of offshore wind power capacity in the North Sea and Baltic Sea, the ministry for traffic and regional development said in a statement.

The law makes way for the construction of 12 GW offshore wind parks, and the ministry said 25 facilities currently had building permission, 22 in the North Sea and three in the Baltic Sea.

Wolfgang Tiefensee, minister for traffic and regional development, said that over 6.8 million households could be supplied with electricity from these new wind parks in the North Sea, while 1.5 million more could be supplied by those in the Baltic Sea.

The ministry said it had scheduled another authorization procedure for further offshore wind farming areas for 2011.

By 2030 Germany plans to produce 25 GW with offshore wind farming.

VNG, MITGAS to open first internet biogas trading point

German gas suppliers Verbundnetzgas (VNG) and MITGAS are to open Germany's first internet biogas trading platform in January 2010, VNG said on September 21.

The new internet trading platform (www.bioerdgashandel.de) will allow participants to buy and sell biogas at all virtual trading points associated with Germany's various gas market zones. Standardized supply contracts are to provide the basis for all biogas trading activities, VNG said.

"This is the first of its kind in Germany, but we also have not yet heard of a similar trading platform anywhere else in Europe," a spokeswoman for VNG told Platts.

The company said it hoped that the new trading point will provide further opportunity to extend "market-oriented trade with biogas."

Registration for the new platform will be possible a few weeks prior to the start of operation, VNG said.

The production and use of biogas is becoming increasingly popular in Germany as utilities turn to new technologies and business opportunities to lessen their emissions output.

Germany's leading utility E.ON said in July last year that biomethane could meet 10% of Germany's gas demand by 2030, equivalent to the gas consumption of some 5 million households.

E.ON opened Europe's largest biomethane plant in Bavaria in July 2008.

Germany's current gas demand is 87 billion cubic meters/year. That would mean at least 8.7 Bcm/year coming from biomethane by 2030 although that figure is likely to be significantly higher as German gas demand grows.

Lower Saxony has highest renewable power capacity

The German state of Lower Saxony had the highest amount of installed renewable energy in 2007, with an overall capacity of 6,560 MW, according to a report published on September 9 by Germany's federal grid agency.

Overall renewable capacity that was fed into the grid in 2007 was 31,071 MW and the second-highest shares were in North Rhine-Westphalia with 3,823 MW.

"The figures highlight the increasing importance of renewable energy in Germany," the agency's president, Matthias Kurth, said.

Between 2002 and 2007, Germany's installed renewable capacity rose from 13,942 MW to 31,071 MW at annual growth rates of between 12% and 23%, according to the report.

The highest renewable capacity was wind with 21,907 MW installed in 2007, followed by 3,977 MW of solar, 3,220 MW of biomass, 1,294 MW of hydro, 669 MW of gas produced from waste and mining and 3 MW of geothermal power.

At more than 10 GW of installed capacity, about a third of all German renewable power was produced in Germany's three coastal states of Lower Saxony, Schleswig-Holstein and Mecklenburg-Pomerania, leaving the remaining two thirds spread over 13 other states.

Of Germany's four grid operating utilities – E.ON, RWE, EnBW and Vattenfall Europe – the highest amount of renewable power was installed in the grid area of E.ON at 12,176 MW, followed by 10,314 MW for Vattenfall Europe, 6,469 MW for RWE and 2,112 MW produced by EnBW.

The report registered all renewable power that was fed into Germany's power grids in 2007.

Germany's renewable energy law (EEG) obliges grid operators to buy all renewable power generated in its region and the report is the result of an analysis of grid data by the federal grid agency.

The Netherlands

Two offshore wind farms get OK

The Dutch authorities have granted final licenses to two Airtricity offshore wind farms – West Rijn, 40 kilometres offshore, and Breeveertien II 65 kilometres offshore. West Rijn will consist of 72 3.6 MW turbines. Breevertien II will consist of 79 3.6 MW turbines. The government granted nine provisional licenses earlier this year. Provisional licenses are subject to appeal. These are the first two to clear the hurdle and obtain final licenses. Although there is still a possibility of an ultimate appeal, the grant of the final licenses means that Airtricity can apply for government subsidies in a forthcoming tender.

Portugal

Portugal makes progress on energy security, renewables: IEA

Portugal has strengthened its energy security by cutting its dependence on fossil fuel imports and increasing its renewable power production, according to an International Energy Agency report released on September 10.

"Renewable energy supply measures are a cornerstone of recent Portuguese energy policy," according to the report, which noted that the country adopted a new national energy strategy in 2005.

"As a nation that is potentially reliant on imported fossil fuels, Portugal has made remarkable progress in harnessing and taking advantage of its indigenous sources of renewable energy," it said.

Portugal last year obtained about 18% of its primary energy supply from renewables, the IEA said, and in 2007 secured a third of its electricity from renewable resources, one of the highest rates among IEA countries in Europe.

The country has long depended for renewable electricity on hydropower, which can vary in output depending on climate conditions. In recent years though, Portugal has diversified its renewables portfolio.

"Portugal is now among the leading IEA member countries in terms of both hydro and wind power penetration and is at the forefront of ocean power development," IEA analysts said.

The study urged Portuguese policy-makers to further expand renewables generation and to "build on past successes in continuing to foster competition levels in the electricity and natural gas markets and examine means by which they can encourage new entry into wholesale and retail markets."

UK

UK to make world's biggest wind turbine blades

The UK government said on September 16 that the world's biggest wind turbine blades will be made in Britain as it unveiled plans to give £6.5 million (€7.27 million, $10.70 million) worth of grants to three offshore wind energy companies.

Energy and climate secretary Ed Miliband said £4.4 million will be given to Clipper Windpower to develop their first prototype 70 meter blade for a project in England's northeast to build the largest wind turbines in the world.

A fully operational Clipper 10 MW turbine will stand at 175 meters in height and weigh over 30 tonnes.

Technology company Artemis Intelligent Power will be given £1 million to transfer their existing technology from automotive to wind energy, while Siemens Wind Power UK, part of German manufacturing giant Siemens, will receive £1.1 million to develop the next generation power convertors for their larger offshore turbine.

"With strong government backing, the UK is consolidating its lead in offshore wind energy," said Miliband in a statement.

"We already have more offshore wind energy than any other country, we have the biggest wind farm in the world about to start construction, and now we'll see the biggest turbine blades in the world made here in Britain," added Miliband.

The grants are being awarded under phase 1 of the Low Carbon Energy Demonstration capital grants scheme.

TSO offers 900 MW of renewable projects earlier connections

National Grid, the manager of the UK's power transmission network, said on September 18 that a further 900 MW of renewable generation projects have been offered earlier connection dates.

A total of 12 green energy projects in Scotland with an average size of 75 MW had been offered connection dates up to six years earlier than expected, with the biggest change going to a project with a 2018 connection date being brought forward to 2012, National Grid said.

However, delays in the planning system have meant that developers for nearly a fifth of the 900 MW of capacity have had to decline the earlier connection dates, prompting National Grid to urge a reform of the planning process.

UK energy regulator Ofgem said in early May it was temporarily relaxing rules governing the high-voltage electricity network while the government carries out a consultation on longer term measures to update the grid connection process.

The changes are necessary because of the huge growth in wind generated renewable energy needing connection from remote parts of the country such as northern Scotland at the extremities of the transmission system.

The 900 MW of capacity offered an earlier connection date is double the 450 MW of renewable projects that were offered earlier dates in the first phase of the new rules.

The latest announcement also means that no generation projects in Scotland are waiting for reinforcements to the existing electricity transmission system to be completed, National Grid said.

Generators in England and Wales are expected to be offered earlier connection dates in the near future.

"This latest wave of offers of earlier connection dates is more good news for renewables, and another success for the work National Grid has been leading to update industry rules on connections," said Nick Winser, National Grid Executive Director for Transmission.

"The projects suffering planning delays show the vital importance of the reforms being pursued by the UK and Scottish governments, which have our wholehearted support," added Winser.

Both the UK and Scottish governments have been pursuing planning reform. The new Scottish National Planning Framework came into force on August 3, although England and Wales are still awaiting the completion of the National Policy Statements that underpin changes to their planning system.

Currently, only a third of the future renewable generation capacity with connection agreements for the UK power network has planning consent, National Grid said.

Electricity directive

	Eligible customers & Declared market opening (%)	Ownership unbundling of TSO	Production: type of system	Transmission: type of system	Distribution: type of system
Austria	10/01: All (100%)	No	Authorization	Reg TPA	Reg TPA
The Energy Market Liberalization Act (12/00) provided for marked opening from 10/01 and required grid operators to source 8% of delivered electricity from small hydro (<10MW) and to increase the percentage of energy from other renewables to 4% by 2008. The Green Energy Act (08/02) shifted administration for this obligation to the transmission grid operators and increased the target for production from small hydro to 9% by 2008. Legislation introduced in 2006 increased the target for other renwables to 10% by 2010.					
Belgium	01/03: >10GWh 07/04: Walloon Region, Brussels-Capital Region: all professional customers connected to the distribution network 07/03: (Flanders only) all 01/07: Walloon region all household customers 01/07: All (100%)	No	Authorization	Reg TPA	Reg TPA
Regulator for gas and electricity is CREG. Regional regulator for <=70kV grid. Elia formally designated as TSO. Bottlenecks at borders, especially northbound at French border.					
Bulgaria	07/04: 40GWh (22%) 07/07: All (100%)	No	Authorization	Reg TPA	Reg TPA
Bilateral contracts; power exchange generation market design. Seven significant competitors in the generation market, including Kozlodui NPP and Maritsa Istok III. The latter has a 15 year PPA with NEK up to 2020. Distribution tariffs are published.					
Czech Rep	01/02: >40 GWh 01/03: >9 GWh 01/05: All non residential customers 01/06: All (100%)	Yes	Authorization required for plants >30 MW	Reg TPA	Reg TPA
Bilateral and power exchange generation market. 66.7% state-owned CEZ dominates the Czech Republic's power market.					
Denmark	01/03: All (100%)	Yes	Authorization	Reg TPA	Reg TPA
Feed-in tarriffs have developed wind energy industry.					
Estonia	2005: 40GWh (12%) 2009: 35% 2013: All (100%)	No	Authorization	Reg TPA	Reg TPA
State utility Eesti Energia dominates the Estonian power market. TSO and DSO are legally separated.					
Finland	All (100%)	Yes	Authorization for environmental, not market, purposes	Reg TPA	Reg TPA
Transmission grid is an independent company. Since 01/05 transmission and distribution companies have needed the Electricity Market Authority's approval for changes to their methodologies for calculating tariffs.					
France	02/03: 7GWh (34.5%) 07/04: All non-residential customers (>66%) 07/07: All (100%)	No	Authorization	Reg TPA	Reg TPA
EDF holds auctions to sell capacity (virtual power plants) but EDF still enjoys near total monopoly. Grid operator RTE is legally separated from EDF.					
Germany	All (100%)	No	Authorization	Reg TPA	Reg TPA
Reg TPA provided for by the Energy Act of 13/07/05 and enforced since energy regulator (Bundesnetzagentur) was established in July 2005.					
Greece	07/04: All non-residential customers (70%) 01/07: All	No	Authorization	Reg TPA	Reg TPA
Greece has requested a derogation from EU rules for micro-systems on all non-interconnected islands (excluding Crete and Rhodes), those customers remain captive to the incumbent supplier and generator PPC (RES, CHP and autoproducers are exempt). PPC owned 95.3% of installed generation capacity in 2006. RES, CHP and autoproducers supported through a regulated feed-in tariff. The electricity volume traded outside PPC was approx. 0.84% of the total electricity volume consumed in 2006, including electricity produced by autoproducers and RES and imports.					
Hungary	07/04: All non-residential customers 07/07: All (100%)	No	Authorization	Reg TPA	Reg TPA
State-owned MVM plays a dominant role in the wholesale market due to its long term PPAs. There are three significant players in the Hungarian retail market. The Hungarian Parliament has passed the new Act on Electricity.					
Ireland	2002: >1GWh 02/04: >0.1GWh/yr (56%) 02/05: All (100%)	Yes	Authorization	Reg TPA	Reg TPA
All Ireland single electricity market from 11/07. This is hoped to assist in resolving any problems which may have existed with market entrants securing finance. New build process speeded up through Strategic Infrastructure Bill.					
Italy	2001: 20GWh/yr 2002: 9GWh/yr 05/03: 0.1GWh/yr 07/04: All non residential (80%)	Yes	Authorization	Reg TPA	Reg TPA
All consumers have been free to switch supplier since 07/07. AEEG continues to set prices for residential consumers and small businesses who have not yet switched supplier. No single entitity allowed more than 50% of generation and imports. Problems persist with limited import capacity. Wholesale power pool IPEX introduced 03/04.					

Electricity directive (continued)

<table>
<tr><th></th><th>Eligible customers & Declared market opening (%)</th><th>Ownership unbundling of TSO</th><th>Production: type of system</th><th>Transmission: type of system</th><th>Distribution: type of system</th></tr>
<tr><td>Latvia</td><td>07/04: All non residential customers (76%)
07/07: All (100%)</td><td>No</td><td>Authorization</td><td>Reg TPA</td><td>Reg TPA</td></tr>
<tr><td colspan="6">No customers have exercised their rights to switch energy supplier yet due to the small size of the generation market (5.6TWh in 2004) and the vertically integrated state monopoly Latvenergo holding a 95% share in domestic production. TSO “Augstsprieguma tikls” started operating as a legally separate company from 09/05. Latvenergo holds 99% of the electricity distribution market.</td></tr>
<tr><td>Lithuania</td><td>07/04: All non residential customers
07/07: All (100%)</td><td>Yes</td><td>Authorization</td><td>Reg TPA</td><td>Reg TPA</td></tr>
<tr><td colspan="6">Generation capacity significantly exceeds demand. No direct transmission lines with Central and Western Europe. There is one dominant generator; one TSO; two significant DSO’s/Public Suppliers and 18 licensed independent suppliers in the Lithuanian electricity market.</td></tr>
<tr><td>Luxembourg</td><td>07/04: All non residential customers
07/07: All (100%)</td><td>No</td><td>Authorization</td><td>Reg TPA</td><td>Reg TPA</td></tr>
<tr><td>Netherlands</td><td>2000: >2MW
2002:>3*80A
07/04: All (100%)</td><td>Yes</td><td>Authorization</td><td>Reg TPA</td><td>Reg TPA</td></tr>
<tr><td colspan="6">Independent regulator for gas and electricity (DTe). Reciprocity clause invoked. All consumers free to buy green power since 1/1/01. Import capacity bottlenecks. Full ownership unbundling of distribution networks mooted July 2009. Introduction of trilateral market coupling with Be, Fr (11/06).</td></tr>
<tr><td>Poland</td><td>07/04: All non residential customers
07/07: All (100%)</td><td>Yes</td><td>Authorization</td><td>Reg TPA</td><td>Reg TPA</td></tr>
<tr><td colspan="6">Generation market design: long-term PPAs still exist (60%), however an Act discharging them was passed on 29/07/07 and came into force 04/08/07. Long term PPAs will be gradually discharged through a compensation scheme. Bilateral contracts; limited significance of power exchange (1%). Poland has nine significant competitors in the power sector.</td></tr>
<tr><td>Portugal</td><td>01/04: All businesses
07/04: All (100%)</td><td>Yes</td><td>Authorization</td><td>Reg TPA</td><td>Reg TPA</td></tr>
<tr><td colspan="6">A government Decree (240/2004) on 07/12/04 scrapped long term power purchase agreements and created compensation measures to replace them. TSO REN is 31% state owned; 20% Caixa Geral de Depósitos; 5% Gestmin; 5% Logoenergia; 5% OLIREN, 5% Red Electrica de España; 5% EDP; and 24% freefloat.</td></tr>
<tr><td>Romania</td><td>07/07: All (100%)</td><td>Yes</td><td>Authorization</td><td>Reg TPA</td><td>Reg TPA</td></tr>
<tr><td colspan="6">Bilateral and power exchange generation market design. There are eight significant competitors in the power generation sector. Five distribution companies had been privatized by 08/07. By end 2007 some 50% of consumers had changed their supplier. In 04/07 the electricity and gas regulators merged to become the independent Romanian Energy Regulatory Authority (ANRE).</td></tr>
<tr><td>Slovakia</td><td>01/04: 20GWh (40%)
01/05: All non-residential customers (79%)
07/07: All (100%)</td><td>Yes</td><td>Authorization</td><td>Reg TPA</td><td>Reg TPA</td></tr>
<tr><td colspan="6">Bilateral generation market without power exchange. Slovenské Electrárne (SE) dominates the Slovakian power market. The New Energy Acts came into force on 01/01/05, bringing market opening fully into compliance with the EU Directives. The reformed Electricity Market Rules came into force on 15/07/07. Legal unbundling of distribution system operator from other activities from 07/07.</td></tr>
<tr><td>Slovenia</td><td>07/04: All non-residential customers
2005: 77%
07/07: All (100%)</td><td>Yes</td><td>Authorization</td><td>Reg TPA</td><td>Reg TPA</td></tr>
<tr><td colspan="6">Bilateral and power exchange generation market design. There are two main wholesale competitors and 12 suppliers in the Slovenian power sector.</td></tr>
<tr><td>Spain</td><td>2003: All (100%)</td><td>Yes</td><td>Authorization</td><td>Reg TPA</td><td>Reg TPA</td></tr>
<tr><td colspan="6">New entrants frustrated by lack of electricity export capacity with France. Customers were able to choose to stay on regulated tariffs until July 2008. Regulated tariffs abolished July 2009, but sub 10kW consumers can opt for capped tariff of last resort.</td></tr>
<tr><td>Sweden</td><td>01/96: All (100%)</td><td>Yes</td><td>Authorization for environmental, not market, purposes.</td><td>Reg TPA</td><td>Reg TPA</td></tr>
<tr><td colspan="6">Regulator sets guidelines for access prices. Consumers file complaints to the regulator.</td></tr>
<tr><td>Turkey</td><td>01/07: 3 GWh (38.6%)
01/08: 1.2 GWh (41%)</td><td>No</td><td>Authorization</td><td>Reg TPA</td><td>Reg TPA</td></tr>
<tr><td colspan="6">Market opening extended in January 2008 by decision of the Board of the Turkish Energy Market Regulatory Authority. Bilateral contracts market design with residual balancing pool. Electricity market activities are unbundled along the path envisaged by the EC Second Directive, except for legal unbundling of DSOs. The TSO has a separate corporate identity. Turkey’s wholly stae-owned Electricity Trading and Contracting company (TETAS) and Electricity Generation Company (EUAS) are the dominant market players.</td></tr>
<tr><td>UK</td><td>All (100%)</td><td>Yes</td><td>Authorization</td><td>Reg TPA</td><td>Reg TPA</td></tr>
<tr><td colspan="6">British electricity trading arrangements (Betta) extended ‘NETA’ to Scotland on April 1, 2005.</td></tr>
</table>

Source: EU Energy

Gas directive

	Eligible customers & Declared market opening (%)	Ownership unbundling of TSO	Grid/Storage access	Publication of access conditions	Regulator
Austria	2001: 49% 10/02: All (100%)	No	Reg TPA (Grid) Neg TPA (Storage)	Yes	E-Control (gas and electrcity)
OMV remains the principal importer of gas and a major player in supply through its jv with Energie Allianz, Econgas.					
Belgium	2001: 59% 07/03: Flanders: all customers connected to the distribution network 01/04: Wallonia >1m cu m 07/04: federal level: all final customers connected to the transmission network 07/04: Walloon Region and Brussels-Capital Region: all professional customers connected to the distribution network (91.5%) 01/07: Brussels: all; Walloon Region: all household customers (100%)	No	Reg TPA	Code of good conduct and principal conditions	CREG (gas and electricity)
Regulators both regional and national. Legal unbundling for TSO and DSO.					
Bulgaria	20 million cu m (83%) 07/07: All (100%)	No	Reg TPA	Accounts published. Tariffs approved ex-ante	Energy and wa-ter regulatory Commission
Part of the definition of eligibility is that customers must pay their bills on time – many large customers do not. Another requirement is that they should buy gas to satisfy their own demand, so GDSs are not defined as eligible. Legal, dunctional and account unbundling of TSOs. No unbundling for DSO (the number of customers of gas distribution companies is well below 100,000). The dominant gas company is Bulgargaz.					
Czech Rep	2005: >15 million cu m (28%) 2007: All (100%)	No	Reg TPA (Grid) Neg TPA (Storage)	Yes	ERO
Unbundling for TSO and DSO by account. Legal unbundling for TSO (2006) and DSO (2007). Gas market dominated by RWE Transgas A.S. An amendment to the Energy Act adopting the EU Second Gas Directive came into force from 30/12/04.					
Denmark	2000: 30% 2004: All (100%)	Yes	Reg TPA (Grid) Neg TPA (Storage)	Yes	DERA
Gas incumbent Dong Naturgas unbundled its grid in 2003, Dong Transmission, onrenamed Gastra, which in 01/05 became part of state-owned system operator Energinet.dk. Neg TPA for storage. DERA regulates for gas, electricity and district heating.					
Estonia	200,000 cu m (95%) 01/07: All (100%)	No	Reg TPA	No publication of accounts Tariffs approved ex-ante	Estonian Competition Authority
Legal unbundling for transmission system operator and distribution system operator. Eesti Gas is the dominant player in the Estonian gas market.					
Finland	2000 >5 million cu m (90%)	No	Reg TPA	Yes	EMA
On paper, the market is open for energy consumers, but in reality only about 1% of the market is open. Due to single supply source (Russia), no competition at wholesale level envisaged. Competition exists for the “after market”, but there is no legal unbundling between the distribution system operator and supply in the wholesale market. Energy Markets Authority regulates for electricity, gas and emissions trading.					
France	2000 >22 million cu m 2001: 20% 2003 >7.5 million cu m 2004: All non residential customers 7/07: All (100%)	No	Reg TPA (Grid) Neg TPA (Storage)	Publication of standard conditions and tariffs	CRE (gas and electricity)
Over 66% of the market open from July, 2004 (for industrial energy consumers). The transmission network is managed by two independent TSOs, Total Infrastructure Gaz France (TIGF) and GRTgaz, unbundled from January 2005.					
Germany	1998: All (100%)	No	Reg TPA (Grid) Neg TPA (Storage)	Yes	Bundesnetz-agentur
Market fully open since 1998. Reg TPA for grids provided for by the Energy Act of 13/07/05 and enforced since the energy regulator (Bundesnetzagentur) was established in July 2005. Storage facility operators are obliged to publish the location of storage facilities and information on available capacity, terms and conditions for access to storage including: procedures for requests to access storage; characteristics of the gas to be stored; nominal working gas capacity and feed-in and output storage periods; and minimal volumes for feed-in and output.					
Greece	07/05: Generators & Cogenerators >25 million cu m Derogation awarded until 2009 (0%)	No	Reg TPA	Yes	RAE (gas and electricity)
New Gas Law in place since 12/05 implementing Directive 2003/55/EC. 03/07 legally unbundled TSO (DESFA SA) established. DESFA owns and operates the transmission network and is responsible for its developments. Terms and conditions for TPA access to the network established through a Standard Transportation Agreement and the corresponding Tariff Decree. Three regional gas distribution companies operate in the urban areas of Attiki, Thessaloniki and Thessaly (Larissa/Volos). Each has a 30-year license to exclusively develop and operate the gas distribution system and supply all consumers with demand <10 million cu m/yr. The Law on deregulating the Greek gas market also renders gas exempt from the country’s special consumer tax until October 31, 2013 and until December 31, 2020 for gas used in cogeneration, agriculture, vehicles and the home.					
Hungary	01/04: all non-residential (67%) 07/07: All (100%)	No	Reg TPA, Neg TPA (for free market)	Yes: Tariffs, terms & conditions	HEO (district heating, gas & electricity)
Legal unbundling for TSOs and DSOs with >100,000 customers Smaller DSOs still unbundled by account. E.ON is the dominant player in Hungary’s gas market. Effective market opening reached 25% in 2007. Act XLII of 2003 on Natural Gas Supply effective until 30/6/09, when it will be replaced by Act XL of 2008, adopted by the Hungarian Parliament 9/6/08.					
Ireland	04/02>2 million cu m (80%) 20/07/04: All non residential (85%) 07/07: All (100%)	Yes	Reg TPA for transmission & distribution	Yes	CER (gas and electricity)
Significant investment in gas network infrastructure in recent years and to 2012. Arrangements and access conditions for storage published in 2006. Transmission and distribution system access conditions, price methodology and levels published.					

Gas directive (continued)

<table>
<tr><th></th><th>Eligible customers & Declared market opening (%)</th><th>Ownership unbundling of TSO</th><th>Grid/Storage access</th><th>Publication of access conditions</th><th>Regulator</th></tr>
<tr><td>Italy</td><td>01/03: all consumers (100%)</td><td>No</td><td>Reg TPA</td><td>Yes</td><td>AEEG (gas & electricity)</td></tr>
<tr><td colspan="6">From 2002 suppliers restricted to selling <75% of national consumption into the grid, reducing 2%/year to reach a 2009 target of 61%. Since 2003 no entity has been permitted to sell to final clients >50% of national consumption. Exploitation of gas reservoirs is licensed by the Ministry for Economic Development. Neg TPA for upstream gas slots. Reg TPA to pipeline network for imports and national production.</td></tr>
<tr><td>Latvia</td><td>0%</td><td>No</td><td>Neg TPA</td><td>No publication of accounts. Tariffs approved ex-ante</td><td>Public Utilities Commission</td></tr>
<tr><td colspan="6">Latvia has a derogation until 2010 to implement the EU's Second gas Directive. Unbundling for transmission system operator and distribution system operator by account. Publicly available accounts required from 01/06. The dominant player in the gas market is Latvijas Gaze.</td></tr>
<tr><td>Lithuania</td><td>> 1m cu m (90%)
07/07: All (100%)</td><td>No</td><td>Reg TPA</td><td>Accounts published. Tariffs approved ex-ante</td><td>NCC (gas & electricity)</td></tr>
<tr><td colspan="6">Unbundling for transmission system operator and distribution system operator by account. The dominant player in transmission and distribution is Lietuvos Dujos. Lietuvos Dujos and Dujotekana UAGas supply Lithuanian consumers. All gas imported to Lithuania is sourced from Gazprom.</td></tr>
<tr><td>Luxembourg</td><td>07/04: All non residential customers
2005 > 80%
07/07: All (100%)</td><td>No</td><td>Reg TPA</td><td>Published for high pressure grid</td><td>ILR (electricity, gas, telecoms and postal services)</td></tr>
<tr><td colspan="6">Full market opening preceded legal transposition of the second EU gas liberalization directive on 01/08/07. One 350 MW gas-fired power station.</td></tr>
<tr><td>Netherlands</td><td>2002 > 1 million cu m
2000: 45%
2002: 51%
07/04: All (100%)</td><td>Yes</td><td>Reg TPA (Grid)
Neg TPA (Storage)</td><td>Publication of terms for tariffs, transport & services</td><td>DTe (gas & electricity)</td></tr>
<tr><td colspan="6">Reciprocity clause in place. Access to gas storage controversial. Flexibility services offered by GTS with help of GasTerra (2006).</td></tr>
<tr><td>Poland</td><td>07/00: 25 million cu m
01/06: 71.2%
07/07: All (100%)</td><td>Yes</td><td>Reg TPA</td><td>Tariffs approved ex-ante</td><td>Energy Regulatory Office (gas & electricity)</td></tr>
<tr><td colspan="6">Legal and ownership unbundling for TSO (Gaz-System). Legal unbundling for DSO (six distribution companies within the frame of the PGNiG Capital Group). The dominant gas market player is PGNiG.</td></tr>
<tr><td>Portugal</td><td>01/07: All power generators (45%)</td><td>Yes</td><td>Reg TPA</td><td>Conditions published by regulator</td><td>ERSE</td></tr>
<tr><td colspan="6">Granted derogation to 2010. Supplier choice for all commercial users from June 1 2009, residential from January 2010.</td></tr>
<tr><td>Romania</td><td>01/02: 25%
01/05: 50%
01/06: 75%
01/07: all non-residential
07/07: All (100%)</td><td>Yes</td><td>Reg TPA</td><td>Accounts published. Tariffs approved ex-ante</td><td>ANRE</td></tr>
<tr><td colspan="6">Legal unbundling between TSO and DSO. 04/07 the electricity and gas regulators merged to become the independent Romanian Energy Regulatory Authority (ANRE).</td></tr>
<tr><td>Slovakia</td><td>01/04: >5 million cu m (33%)
01/05: All non residential customers. (72%)
07/07: All (100%)</td><td>No</td><td>Neg TPA
Reg TPA for transit</td><td>No publication of accounts. Tariffs approved ex-ante</td><td>Regulatory office for network industries</td></tr>
<tr><td colspan="6">TSO and DSO unbundling by account. Gas market operator SPP dominates the market. The Energy Act allows SPP to refuse TPA to other gas suppliers on the basis of 'take-or-pay' contracts in line with Directive 2003/55/EC. Slovakia fully transposed the EU's second gas directive 09/07.</td></tr>
<tr><td>Slovenia</td><td>07/04: All non residential customers
07/07: 100% (All)</td><td>No</td><td>Reg TPA</td><td>Indicative terms for tariffs, transport & services are published</td><td>Energy Agency (gas & electricity)</td></tr>
<tr><td colspan="6">Legal unbundling for transmission system operator and account unbundling for distribution system operator. Incumbent Geoplin dominates the gas market. From July 1, 2004, Slovenia opened its gas market to all non-household customers in compliance with the EU's Second Gas Directive.</td></tr>
<tr><td>Spain</td><td>01/03: All (100%)</td><td>Yes</td><td>Reg TPA/ Neg TPA (non-basic storage)</td><td>Yes (conditions:TPA tariffs & contract models)</td><td>CNE (gas, oil & electricity)</td></tr>
<tr><td colspan="6">Main Security of supply rules: to keep dependency on one gas source to below 50%, 20 days of firm consumption as strategic reserves and N-1 criterion (preparedness of the system to supply firm demand in case of failure of the biggest entry point). All market participants have import cap of 70%. Six LNG terminals in operation. Regulated tariffs abolished end-2007 but customers can opt for supplier of last resort tariffs.</td></tr>
<tr><td>Sweden</td><td>2000: 47%
07/05: All non residential users (95%)
07/07: All (100%)</td><td>No</td><td>Reg TPA</td><td>Tariffs approved ex-post
Tarif fmethod ex-ante</td><td>Energy market Inspectorate (gas & electricity)</td></tr>
<tr><td colspan="6">Svenska Kraftnat is the system operating authority (ISO).</td></tr>
<tr><td>Turkey</td><td>1 million cu m (80%)</td><td>No</td><td>Reg TPA</td><td>No publication of accounts. Tariffs approved ex-ante</td><td>EMRA (gas, electricity, LPG & petroleum)</td></tr>
<tr><td colspan="6">Unbundling for transmission system operator and distribution system operator by account. Botas is the dominant company in the gas market.</td></tr>
<tr><td>UK</td><td>1998: All except N. Ireland (100%)
01/07: Greater Belfast Area</td><td>Yes</td><td>Reg TPA</td><td>Published tariffs</td><td>Ofgem (gas & electricity)</td></tr>
<tr><td colspan="6">Ongoing reform of gas grid entry and exit arrangements. Storage capacity auctions introduced. Interconnector with Belgium introduced hedging with mainland European market. Upstream there is TPA with voluntary code (Petroleum Act 1998). The Utility Regulator is responsible for energy in Northern Ireland. Firmus energy Ltd. has exclusivity to supply ten towns outside the Greater Belfast area. Exclusivity is for eight years for consumers of <732,500 kWh/year and five years for consumers of >732,500/year.</td></tr>
</table>

Source: EU Energy

BRUSSELS WATCH

Swedish presidency of the EU

Draft agenda (selected dates)

July 1 – December 31, 2009

September

24-25 Competitiveness council
28-29 Agriculture & fisheries council

October

1-2 Informal Ecofin (Goteberg)
8-9 Transport, telecoms & energy Council (Luxembourg)
14-16 Informal competitiveness council (Umea)
19-20 Agriculture & fisheries council (Lucembourg)
20 Ecofin
23 Environment coucil (Luxembourg)
26-27 General affairs & external relations (Luxembourg)
29-30 European Council (Brussels)

November

10 Ecofin (Brussels)
16-17 General affairs & external relations (Brussels)
19-20 Agriculture & fisheries (Brussels)

December

2 Ecofin (Brussels)
3-4 Competitiveness council (Brussels)
7 Transport, telecoms & energy Council (Brussels)
7-8 General affairs council (Brussels)
10-11 European council (Brussels)
15 Agriculture & fisheries Council (Brussels)

European Parliament meetings:

Plenary sessions

September 14-17 (Strasbourg)
October 7-8 (mini plenary, Brussels)
October 19-22 (Strasbourg)
November 11-12 (Brussels)
November 23-26 (Strasbourg)
December 14-16 (Strasbourg)

EVENTS

Next Generation Biofuels Markets

September 28-30
Amsterdam, Netherlands
www.greenpowerconferences.com

European Emissions Trading

September 28-29
Brussels, Belgium
www.platts.com/Events

CCS Summit 2009 – Getting it right for Copenhagen

October 6
Brussels, Belgium
www.ccsconference.eu

International Energy Congress 2009: Renewable Energy

October 8-9
Ankara, Turkey
www.enerji2009.org

Energy Price Seminar

October 9
Dublin, Ireland
www.energyireland.ie

European Bioenergy Expo & Conference

October 8-10
Stoneleigh Park, UK
www.ebec.co.uk

The Energy Forum

October 12-13
London, UK
www.marketforce.eu.com/energy

COPENMIND – Energy

October 12-14
Copenhagen, Denmark
www.copenmind.com

IEA Ministerial: responding to energy challenges

October 14-15
Paris, France
www.iea.org

World Forum on Energy Regulation

October 18-21
Athens, Greece
www.worldforumIV.info

Platts European Energy Efficiency Strategies

October 19-20
Brussels, Belgium
www.platts.com/Events

5th Emerging Europe Energy Summit

October 22-23
Prague, Czech Republic
www.doingbusiness.ro/energy2009

Renewable Energy Sources and Energy Efficiency Conference

October 23-24
Nicosia, Cyprus
www.mse.com.cy/energy

Biofuels 2009

October 27-29
Budapest, Hungary
www.wraconferences.com

Ocean Power

November 2-3
Lisbon, Portugal
www.greenpowerconferences.co.uk

The Energy Community is an International Organisation, which is represented by its Secretariat with seat in Vienna, Austria. In June 2009, the Ministerial Council of the Energy Community took measures to further intensify its work in the area of energy efficiency and renewable energy sources. The Secretariat therefore seeks for qualified professional at the position of the:

Energy Efficiency and Renewable Energy Expert

Under the supervision of the Head of Infrastructure Unit the main tasks and responsibilities are:

- Contribution to the overall review, technical assistance and monitoring process related to the implementation of the Treaty establishing the Energy Community in the area energy efficiency and renewable energy directives;
- Further development of relevant tasks as stated in the adopted Work Program of the Energy Community;
- Follow up actions related to the relevant Decisions and Recommendations of the Energy Community Ministerial Council, PHLG and other Energy Community Institutions and Task Forces;
- Support to relations with the Chairs of the Task Forces, donors' community as well as with other energy experts of the Secretariat;
- Preparation of regular reports and working papers, relevant for regular reporting purposes to the Energy Community Institutions, individually or in cooperation with other experts from the Secretariat;
- Propose formulations for the relevant sections of the Energy Community content pages and of the news related to energy efficiency and renewables issues;
- Any other tasks as requested by the direct superior corresponding to the qualification for the position.

The role requires the following competencies and skills from the successful candidate:

- University degree, in economics or engineering with focus on renewable energy sources and energy efficiency; additional qualifications related to energy law will be considered as an advantage;
- At least five years (5) of working experience;
- Proven knowledge in EU energy law with particular focus energy efficiency and renewable energy directives;
- Excellent interpersonal skills, including ability to operate effectively across organizational boundaries, ability to establish and maintain working relations in a multi-cultural environment with sensitivity and respect for cultural diversity,
- Proven ability to plan and organize work, requiring in-depth understanding of strategic direction of the Energy Community,
- Excellent editing, communication and presentation skills in English, which is the working language of the Energy Community;
- Proficient knowledge of IT applications.

The selected candidate will be offered an initial contract of 3 years, with a probation period of 6 months. Earliest possible commencement date of the employment is 1 January 2010. Please reply in confidence by e-mail to the following address: **recruitment@energy-community.org**, quoting vacancy name in the subject line – not later than 2 October 2009, 5pm. Please note that applications received after the deadline will not be accepted. Only shortlisted candidates will be contacted.

For relevant Rules for Recruitment, Working Conditions and Geographical equilibrium of the Secretariat's staff refer to the website: **http://www.energy-community.org**