



Electricity Regional Initiative Report on progress

Asta Sihvonen-Punkka

Regulator, Energy Market Authority Finland
Chair, Electricity Focus Group

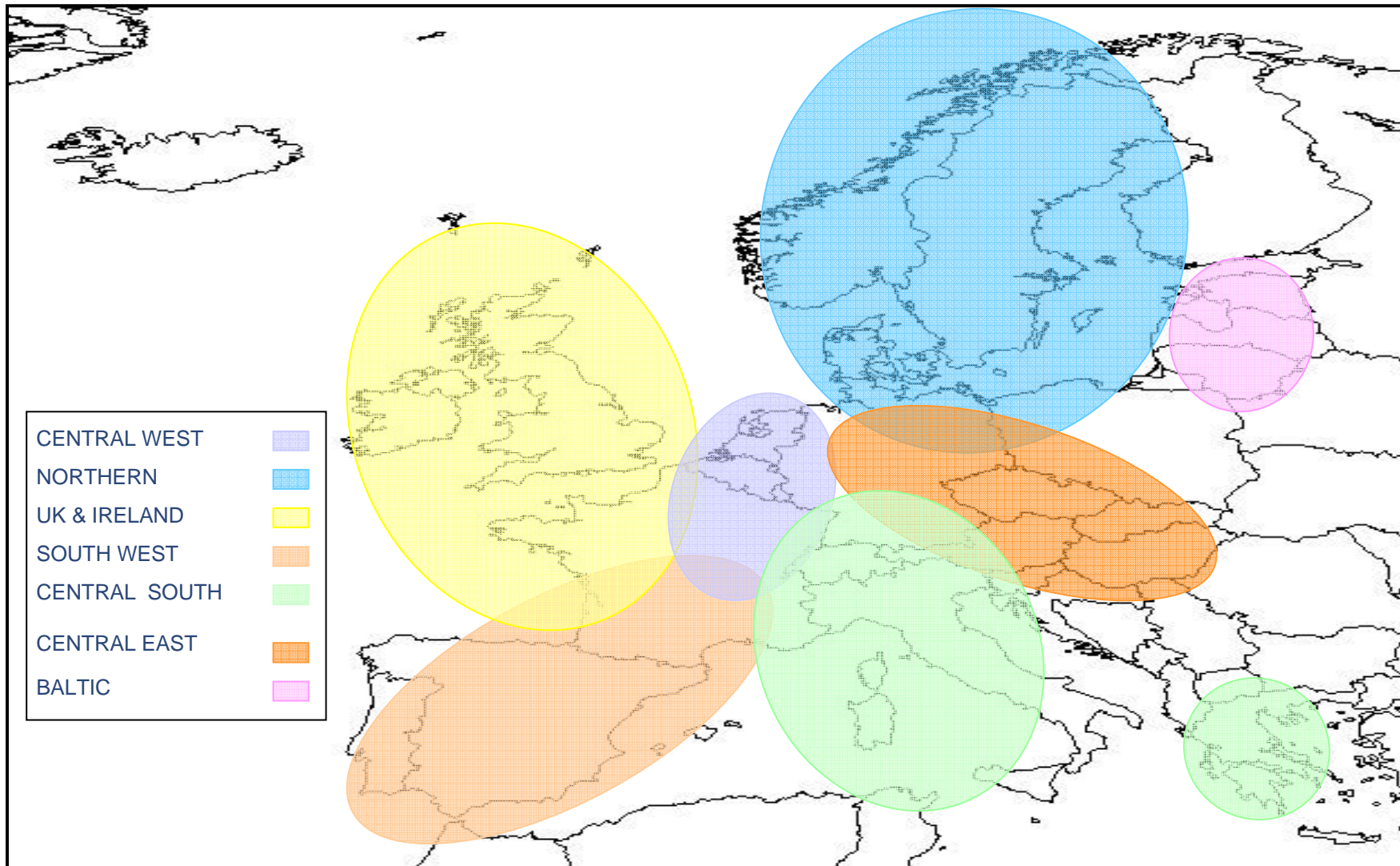
XIII Florence Forum

7/8 September 2006

- **First round mini-fora winter 2004/05 – Commission response to congestion management**
- **XII Florence Forum September 2005 called for a further development of regional markets and a new round of mini-fora for spring 2006**
- **In parallel, DG Tren and DG Competition highlight lack of market integration**

- ➔ **Hence, ERGEG Electricity Regional Initiative launched 27 February 2006, including :**
 - **Conclusions Paper published February 2006**
 - **Confirmed action areas and set out proposal for ERI**

7 Electricity Regional Energy Market Projects

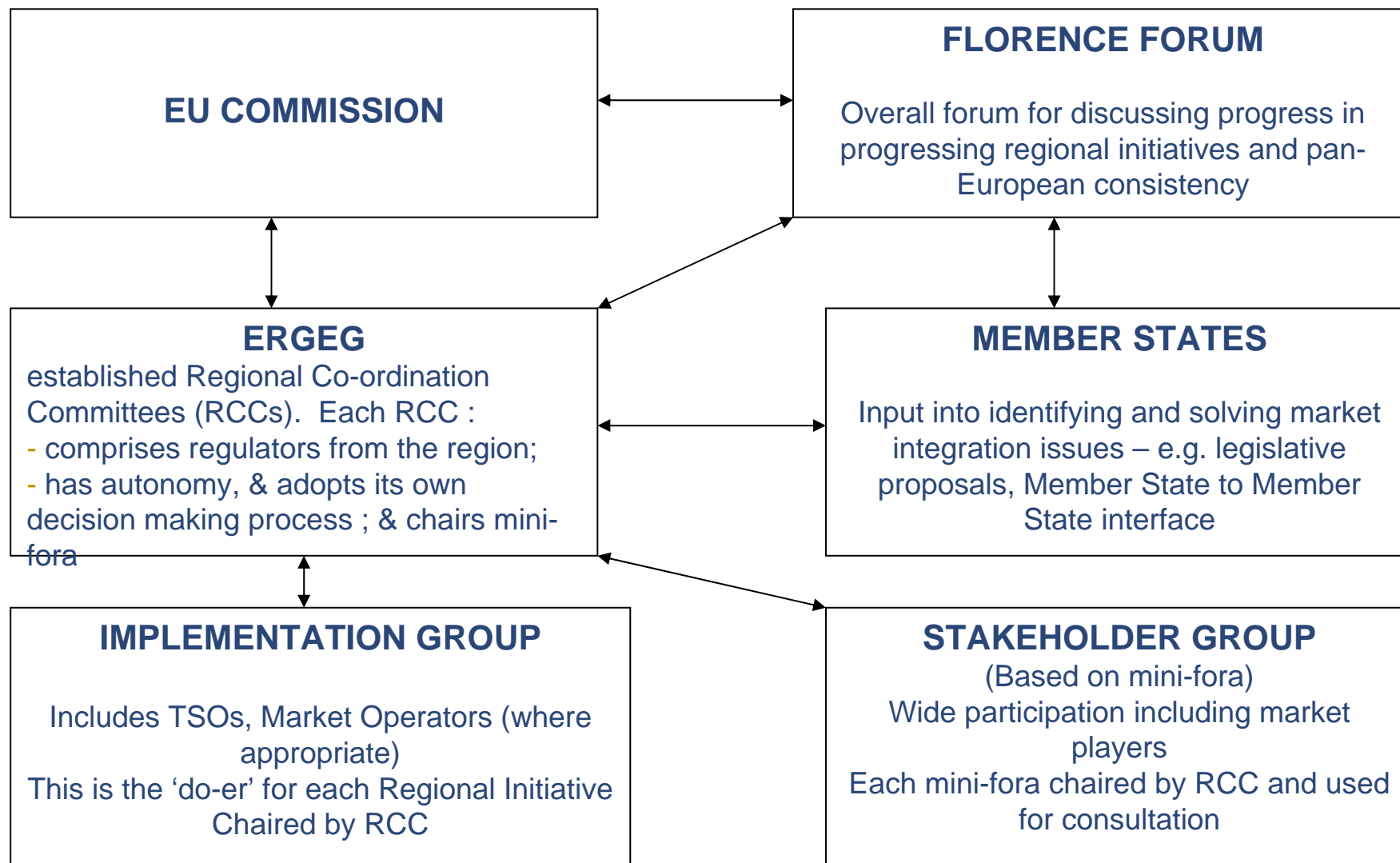


- **Ultimately to create single electricity market**
- ***via* interim step of regional markets → coherence and convergence are to be ensured**

Hence Regional Initiative has objectives, to :

- **Establish (better) functioning regional markets**
- **Identify and publish priority areas**
- **Establish and publish action timetable**
- **Identify who should take action**
- **Monitor and foster progress**

Elements of an organisational framework



Summary ERI Developments since February 2006



Region (Lead Regulator)	Process			Priorities		Action plan and timetable established ?	Written consultation undertaken or planned ?
	Number meetings held :			Identified ?	Consulted with Stakeholders ?		
	RCC	IG	SG	Y/N	Y/N		
Central-West (CREG)	2	0	1	Y	Y	Y	Y (undertaken in the framework of the road maps)
Northern (DERA)	1	0	1	Y	Y	N	N
France,UK,Ireland (Ofgem)	3	2	1	Y	Y	Y	Y
Central-South (AEEG)	3	1	1	Y	Y	N	Y
South-West (CNE)	0	0	0	Y	N	N	N
Central-East (E- control)	3	2	1	Y	Y	N (To be mapped out)	N
Baltic (PUC)	1	0	2	Y	Y	Y	N

- **ERGEG commitment to engaging all stakeholders**
- **Generally positive and constructive reaction and involvement**
- **‘Stakeholder Group’ most visible, also :**
 - **Bilateral contacts**
 - **Some customized arrangements by stakeholders**
 - **Written consultation exercises anticipated**
- **ERGEG website a primary transparency tool**
- **Some concerns expressed / discussed early on in process**

- **Bear in mind active involvement crucial :**
 - **Political support**
 - **Actions by TSOs and other market operators**
 - **Support and input from expert industry / stakeholders**
- **European Commission fully involved, supportive, attending meetings**
- **Member State governments engaged**
- **TSOs supporting process and undertaking actions to begin to tackle priority issues**

Priority topics and action plan



- Each region has identified its priority topics, although in some areas further consultation is anticipated
- Priority topics reflect EREG's thoughts :
 - Congestion management
 - Interconnections
 - Transparency
 - Balancing
 - Regulatory
 - Other – e.g. Transmission charging methodology, wind energy
- Action plans established some regions but yet to be discussed / established everywhere

Next steps



- **Focus on mapping out action plans and timetables**
- **Next 1 – 2 years tackle 1st Priority topics – identify and implement solutions**
- **Coherence and convergence oversight**
- **Report to next Florence Forum**
- **Begin to map out 2nd Priority topics**

Thank You

Asta Sihvonen-Punkka
Regulator, Energy Market Authority Finland
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