

GREEN PAPER

on

**“A European Strategy for Sustainable,
Competitive and Secure Energy”**

EURELECTRIC

**comments on markets
aspects**

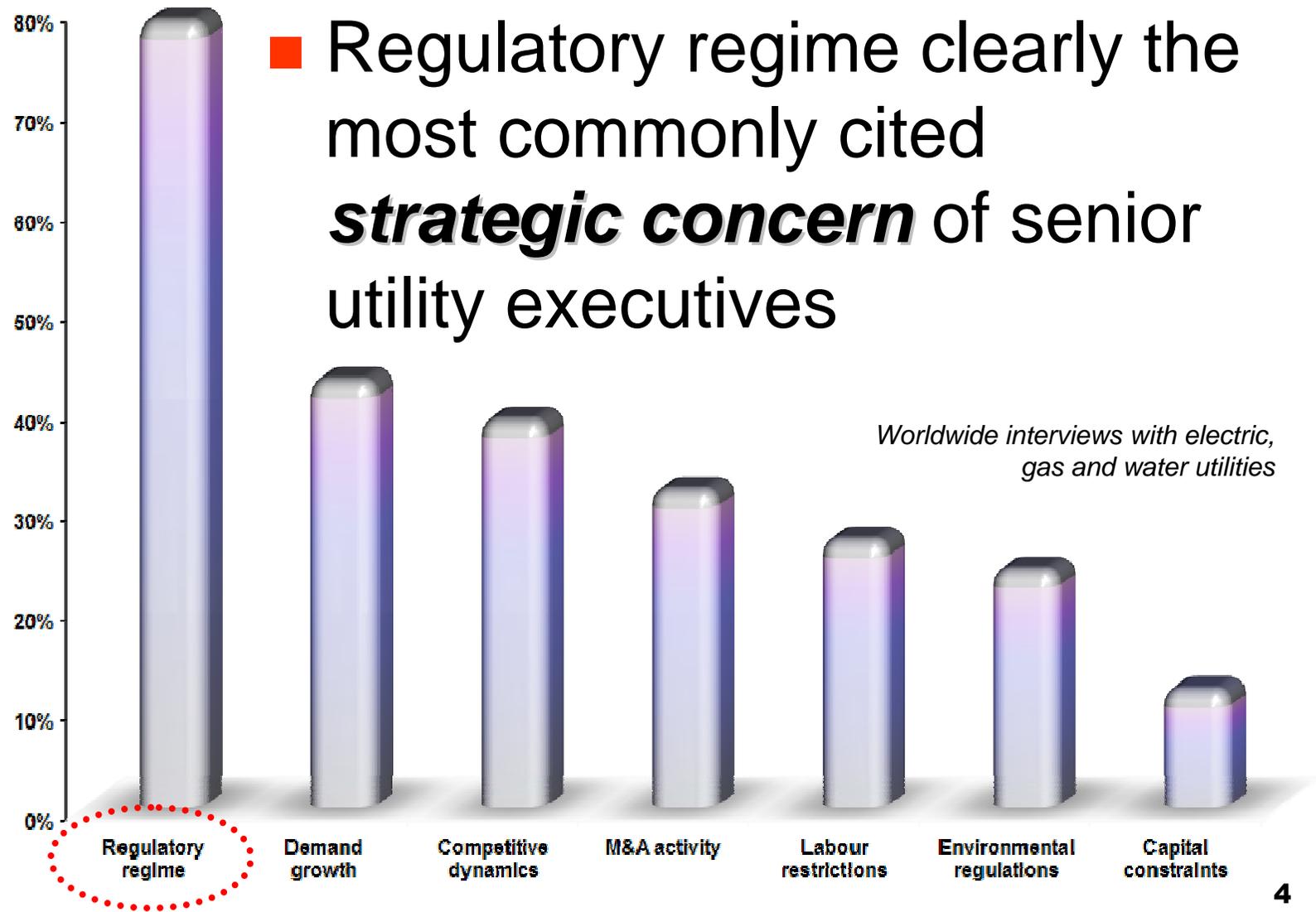
Key issues for EURELECTRIC

- **A long-term vision for Europe's energy policy, with stability and coherence of regulation**
- **EU policy to focus on where it can add value**
- **Importance of retaining EU's competitiveness**
- **Coherence of European policies to be ensured**
- **Economic impact assessments with all new proposals**
- **Liberalised markets as basis for policies**

General comments

- broad debate on energy policy welcome
- some very positive elements
 - balance between policy objectives
 - trust in competitive markets
 - need for stable investment framework
 - cost-effective policy options and use of impact assessment
- need for a longer-term vision and clarity on solving policy conflicts
- a lot of further initiatives/new institutions

Regulatory stability



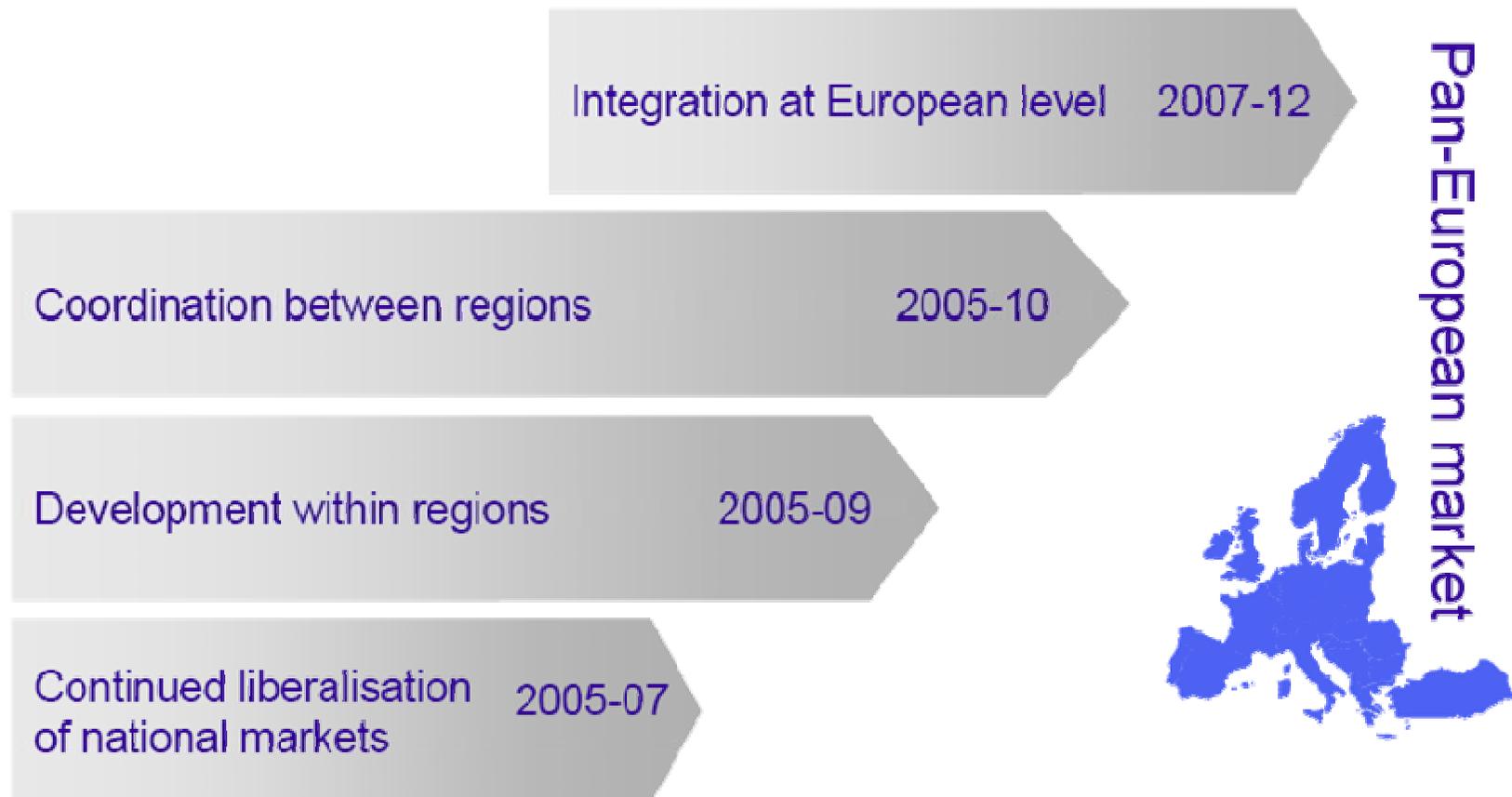
■ Regulatory regime clearly the most commonly cited ***strategic concern*** of senior utility executives

Internal electricity market

- Significant progress but liberalisation a process rather than an event
- first step: fully implement IEM Directives
- further development of IEM
 - liquid & transparent regional wholesale markets
 - more efficient regulatory process at EU and regional level
 - reinforced market facilitator role for TSOs
 - economically sound interconnection, with streamlined authorisation
 - trust in market to deliver investments in generation
- full economic analysis of policy measures

Completing the internal market

Road Map to a European Electricity Market: parallel approach



EURELECTRIC comments to the proposal for a European regulator

A more consistent and efficient regulatory process is needed at European level

This requires to:

- start first with a definition of this process (tasks and remit);
- establish seamless cooperation between regulators
- start with a regional approach to support the development of regional electricity markets;
- tackle later who could do this best

EURELECTRIC comments to the proposal for a European grid

Seamless cooperation of TSOs

- Further market integration will depend strongly on improved cooperation of TSOs
- Better cooperation of TSOs should focus first on the regional sphere
 - investment and operation
 - capacity allocation and congestion management
 - intraday, balancing and reserve markets

REGIONAL INITIATIVES

Unique opportunity for rapid progress

IF

- **An ambitious agenda in content and timing**
- **Strong involvement of the EC**
- **Political support from the Member States**
- **Implementation agreements with Industry**
 - respecting necessary consultations
 - not hindering or delaying legal basis where necessary