

22nd Electricity Regulatory Forum Florence, 22-23 May 2012

**Input from IFIEC Europe & CEFIC to
item 5: Internal market: single market
by 2014 and regional initiatives**

Internal market

IFIEC & CEFIC highlights on network codes

- CACM:

- Capacity calculation:

- Generalized use of flow based allocation
 - Less but larger price zones, where necessary more and smaller bidding zones

- Day ahead

- Increase liquidity
 - Enhance governance
 - “option 4” of DG Energy’s public consultation on the governance for market coupling

- Intraday

- Intraday and balancing markets should be “corrective” markets only
 - On cross-border OTC offers no societal benefit compared to platforms / exchanges
 - urgent need to harmonize existing and future intraday markets

Internal market

IFIEC & CEFIC highlights on network codes

- **CACM:**
 - Rapid integration of a chapter on forward markets to
 - Secure interest of industrial electricity consumers
 - Promote competition
 - Provide long term price reference
 - Indicate bottlenecks – locational signals

Internal market

IFIEC & CEFIC highlights on network codes

- Demand connection code
 - Specific case of closed distribution systems (e.g. site with generation + consumption units)
 - Right to switch to “island mode”, esp. for SEVESO-sites
 - Load shedding – demand response (voluntary basis – fair compensation)