UCTE Multilateral Agreement

Luigi de Francisci, UCTE Working Group "Legal Issues"

Why a legal enforcement in UCTE

- To support the definition of comprehensive common reliability and security standards to be complied with by TSOs and grid users
- To solve the problem arising from the lack of harmonisation of different TSOs national laws
- To give a legally enforceable basis to UCTE activities

Multilateral Agreement

- A Multilateral Agreement (MLA) was chosen as **first step** to make the Operation Handbook binding and enforceable first for all TSOs of the UCTE zone

- In a **second step** and in close co-operation with Regulators, Operation Handbook should be made binding to both TSOs and grid users of the UCTE zone

What happens with or without MLA

WITHOUT   MLA

WITH ML A

BASE PRINCIPLE

Voluntary compliance with
OH and peer pressure
based on common spirit of
responsibility

Transparency and
certainty to TSOs
relationships

Mutual obligations legally
enforced

UCTE

Infringement resolution

IN CASE OF INFRINGEMENT

WITHOUT DAMAGES

WITH DAMAGES

Sanctions applied by Steering Committee (Blackboard, max 1 year)

ICC

Damages Panel

Operation Handbook

- The Operation Handbook, which gathers UCTE technical rules and standards, is an annex to the MLA. This enables its updating without changing the legal construction of the Agreement

Addenda to MLA

- TSOs' declarations (*"MLA-Addenda"*) about temporary non compliance with OH standards include:
  - A commitment on how/when compliance will be reached
  - Which measures are accepted by the other TSOs to ensure safe operation till compliance is reached

- *Addenda* will be approved by UCTE Steering Committee and will be integral part of MLA as Annex

Schedule of actions

- Approval of Addenda by the Steering Committee **on September 23th, 2004** in Sarajevo

- Beginning of formal signing procedure on **September 30th, 2004**

- Entire MLA signed by all Parties by **November 25th, 2004**