



Regional Initiatives

Getting to 2014

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Outline

- ***What is the Regional Initiatives process and their contribution***
- ***Electricity Regional Initiatives state of play***
- ***Gas Regional Initiatives state of play***
- ***Way forward***



What is the regional initiatives process and their contribution





A strong momentum...

"The internal market should be completed by 2014 so as to allow gas and electricity to flow freely."

European Council conclusion of February 4, 2011



Role of the regional initiatives

A new impetus to market integration process

*Stronger **Stakeholders' involvement** (AESAG and regional consultations) to keep the strong momentum and maintain confidence throughout the process*

*More **adequate governance** to support the implementation process*



How the Regional initiatives work

Identified seven regions for electricity and three for gas

The Regional Initiatives as a **complementary process** to the development of FGs and NCs, enabling

- » **Pilot testing of provisions from draft Framework Guidelines and Network Codes**
- » **Early implementation of Network Codes**
- » **Facilitating implementation of other EU regulation, e.g. 3rd Package transparency requirements, GRIPs, EIP provisions**



Electricity Regional Initiatives State of Play



Electricity Regional Initiatives





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Role of the Regional Initiatives Electricity

More **project-oriented**, with newly designated **project lead regulators**

- Focus on the CACM target models implementation: **4 key priority projects**

Stronger **Pan-European** dimension, with the elaboration of ambitious but realistic **cross-regional roadmaps as the main reference to the market integration process**,



...for a Clear Target



Internal Electricity Market

**Capacity
calculatio
andAllocation**

**Day-Ahead
Capacity
Allocation**

**Intraday
Capacity
Allocation**

**Balancing
Markets**



Cross-regional roadmap on Market Coupling

<i>Progress to Date</i>	<i>Challenges to Come</i>
ENTSO-E and EuroPEX's strong commitment to implement a Pan-European Market Coupling solution	Translating this commitment into concrete and detailed implementation project for 2012
Selection by EuroPEX of the starting point for the PCR algorithm	Validation by ENTSO-E and Endorsement by NRAs of: <ul style="list-style-type: none">• The starting point for the PCR algorithm• The interim flexible NWE high-level governance arrangements• The cost-sharing principles between NWE and non-NWE countries



Cross-regional roadmap on Intraday

<i>Progress to Date</i>	<i>Challenges to Come</i>
ENTSO-E and Europex agreement on detailed technical solution for border-by-border implementation in 2012	Border-by-border implementation of a common intraday solution, linking the Nordic, Central West, South West and FUI electricity regions in 2012
ENTSO-E and EuroPEX's strong commitment to implement a Pan-European cross-border Intraday mechanism	Design and implementation of pan-European intraday target model by 2014



Gas Regional Initiatives State of Play



Gas Regional Initiatives (GRI)





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South Region

- **CAM harmonisation in interconnection ES-PT**
- **Future extension of the project to the IPs with FR**
- **Common TSO allocation platform in 2014**

South, South-East Region

- **Coordinated short-term capacity services in AT - IT**
- **Extension of GATRAC project for the allocation of bundled products to IPs with SK and other countries**

North-West Region

- **Pilot project NL-DE for early implementation of NC**



Way forward

For the ERIs

NW region most advanced aim to integrate the other regions into NW developments

For the GRIs

to identify pilot projects and pilot platforms for the early implementation of rules on capacity allocation and balancing

to develop a roadmap for progress towards the 2014 IEM target