

Regional Initiatives

Getting to 2014

Chryssa Argyriou European Commission - Energy Internal Market I: Networks and Regional Initiatives

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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

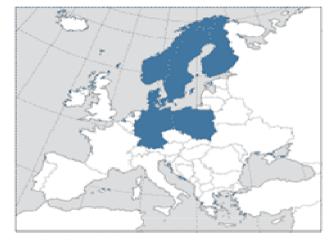




















Role of the Regional Initiatives Electricity

More project-oriented, with newly designated project lead regulators

 Focus on the CACM target models implementation: <u>4 key</u> priority projects

Stronger **Pan-European** dimension, with the elaboration of <u>ambitious</u> but <u>realistic</u> 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

Progress to Date	Challenges to Come
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: 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

Progress to Date	Challenges to Come
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)





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