



EU Outlook: Integrating 3rd countries into the Internal Electricity Market

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Marion Schiller-Probst
DG Energy, Unit A.3 - International Relations
Energy





Menu

- **Context:** History and content of the third internal energy market package
- **State of play:** Implementation within the EU regarding electricity
- **Extension:** On-going integration of 3rd countries
- **Outlook:** Integration of additional 3rd countries / further outreach



History of the Third Internal Energy Market Package

- **First energy package 1996**
 - Market opening at least 30% in 1999
- **Second energy package 2003**
 - 100% market opening in 2007
 - National Regulatory Authorities (NRAs) became mandatory
 - Regulation for cross-border trade
- **Third energy package 2009**
 - Agency for Co-operation of Energy Regulators (ACER)
 - Ownership unbundling of Transmission system operators (TSOs), with some exceptions
 - European Network of Transmission System Operators for Electricity (ENTSO-E)
 - Process to make detailed market and technical rules



Agency for Co-operation of Energy Regulators (ACER)

- **In Ljubljana**
- **Operational** (*since 03/2011*)
 - Drafts Framework guidelines and approves network codes
 - Follows implementation of the European Target Electricity Model
- **Expanding**
 - Market monitoring
 - Evaluation of infrastructure projects

European Network of Transmission System Operators for Electricity (ENTSO-E)

- **In Brussels**
- **Operational** (*since 07/2009*)
 - Drafts network codes
 - Follows implementation of the European Target Electricity Model
 - Develops central information transparency platform and manual of procedures
- **Expanding**
 - Developing co-operation between TSOs in system operation



Top-down legislation

- **The third internal energy market package provides for detailed rules drafted in cooperation between ACER, ENTSO-E and the European Commission.**



State of Play: Progress made

- **Internal electricity market has made progress:**
 - Implementation of the third package is work in progress.
 - Many countries work on abolishing regulated prices.
- **However:**
 - Tension between subsidised and non-subsidised investments persist.
 - Further investments in infrastructure are needed.
 - Renewables need to be better integrated to the market.
 - Member states should avoid introducing capacity mechanisms that might be harmful for the market.
 - Costs & prices need to be reduced.
- Guidance on appropriate and well-designed public intervention at regional, national or local level
- **Complete the internal electricity market by 2014**



Extension: Integration of 3rd countries - ongoing

**Interconnections
+
Regulatory Convergence
=
Energy Market Integration**

Different situations => Differentiated approach



Extension: Integration of 3rd countries – ongoing (2)

- **Candidates for Accession to the EU**
- **Norway**
- **Switzerland**
- **Eastern Neighborhood (UA, MD)**



Outlook: Integration of additional 3rd countries

Longer term perspective

"integration" => "approximation"



Outlook: Approximation of other 3rd countries

- **Eastern Neighborhood**
- **Central Asia / Caspian**
- **Mediterranean (South / East)**



Conclusion

Internal dimension: Despite slow progress, the aim is to finalize the EU Internal Energy Market by 2014.

External dimension: Cooperation on electricity is ongoing with a variety of neighboring countries taking into account the heterogeneity of partners.

Outlook: Cooperation with other interested partners may/will start with the longer term perspective of approximation to the EU market.

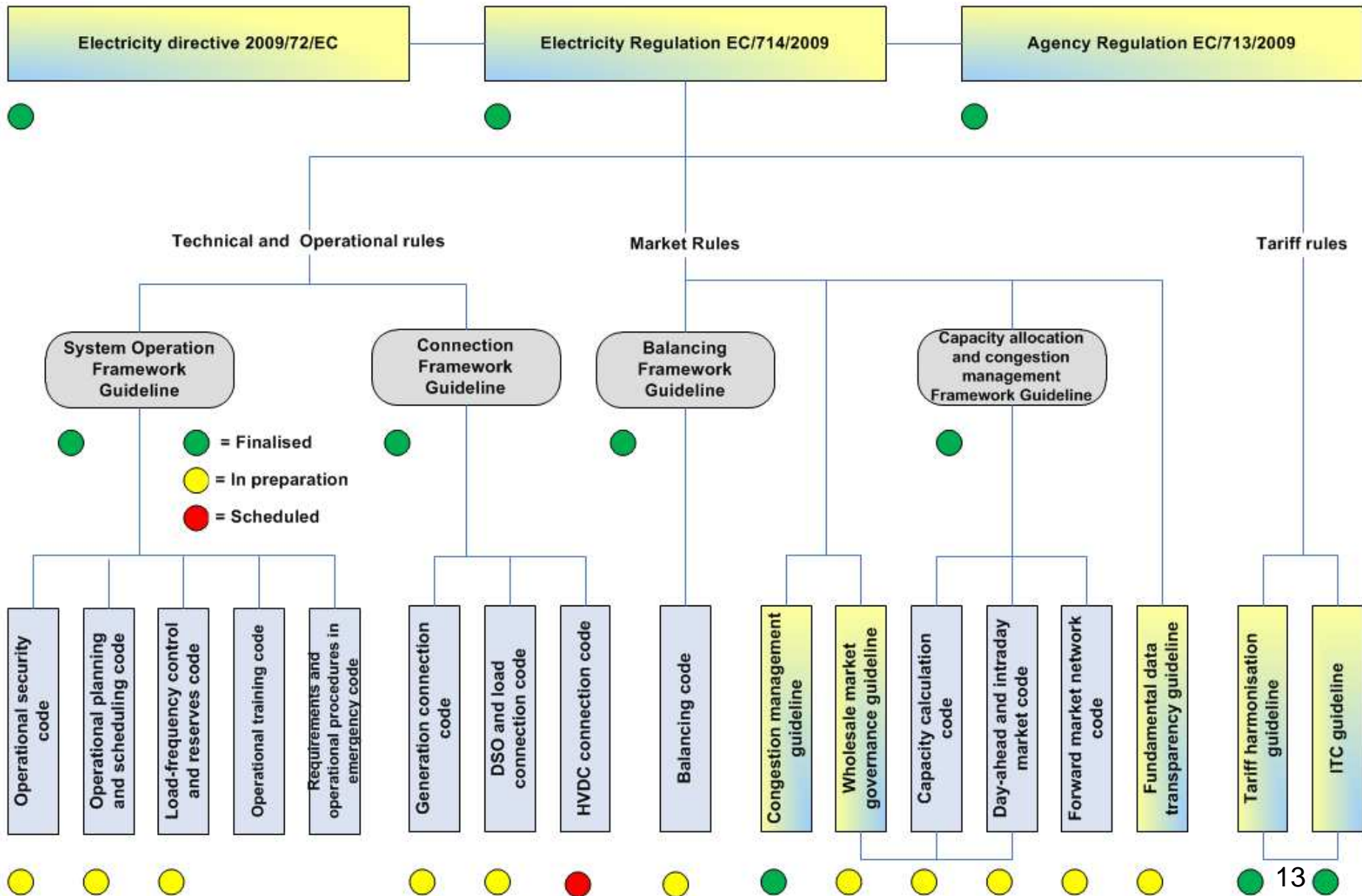


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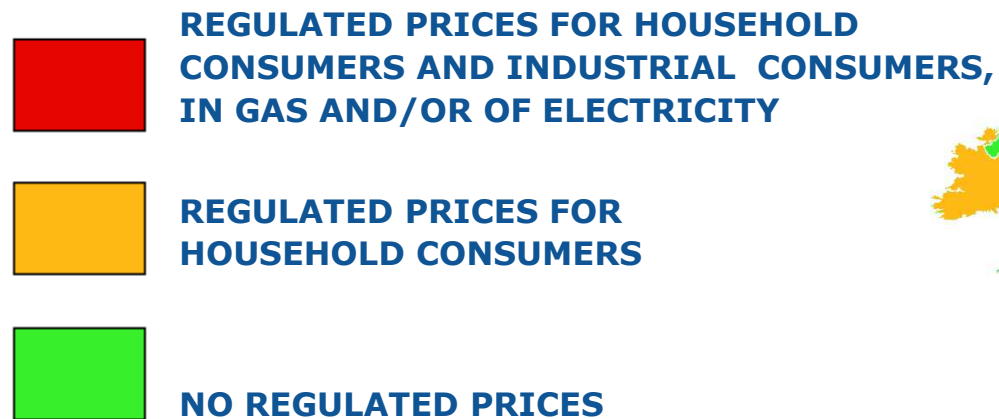
Website:

**[http://ec.europa.eu/energy/
gas_electricity/index_en.htm](http://ec.europa.eu/energy/gas_electricity/index_en.htm)**

European Electricity Rules



Price regulation fails to activate consumers and suppliers



Member States currently phasing out price regulations:
By 2013: Greece, Portugal & Lithuania
By 2017: Romania

