



# Completing the internal energy market – changes and challenges

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13 March 2013

# The European Council agreed on completing IEM by 2014

## However:

- Tendencies of nationally inspired policies
- Consumers dissatisfaction
- In 8 MSs incumbents control >80% of generation
- Markets too intransparent for newcomers, e.g. demand-side providers
- Too little investment in energy efficiency

# Integrated European energy markets: positive record to date

- *More choice and flexibility for consumers*
- *More competitive pricing*
- *More liquid and transparent wholesale markets*
- *More secure supplies*
- *More coordination with third countries*

**The IEM could bring much more if  
completed**

# **The IEM could bring much more if completed**

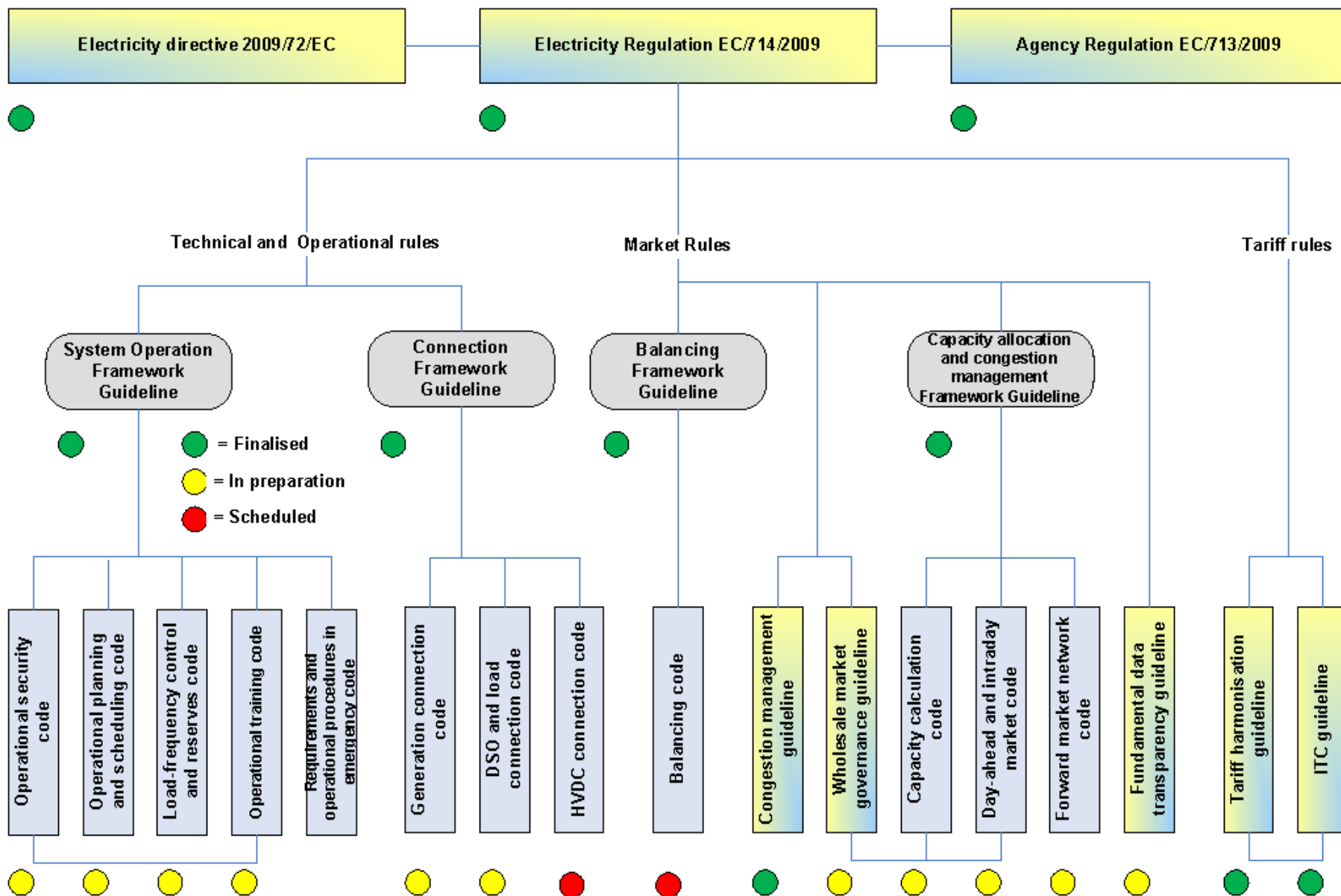
- **More power for consumers to control their energy costs**
- **More energy efficiency through smart technologies**
- **More competition through better access to transmission grids**
- **More efficient use and development of grids**

## Challenges ahead

- *Implementation and enforcement*
- *Activating and protecting consumers*
- *Making the energy systems fit for the future*
  - Encouraging appropriate investments in generation
  - Optimising state intervention
  - Modernising grids

-> If not tackled, these issues risk undermining the completion of the IEM -> ACTION PLAN needed!





# European Electricity Rules

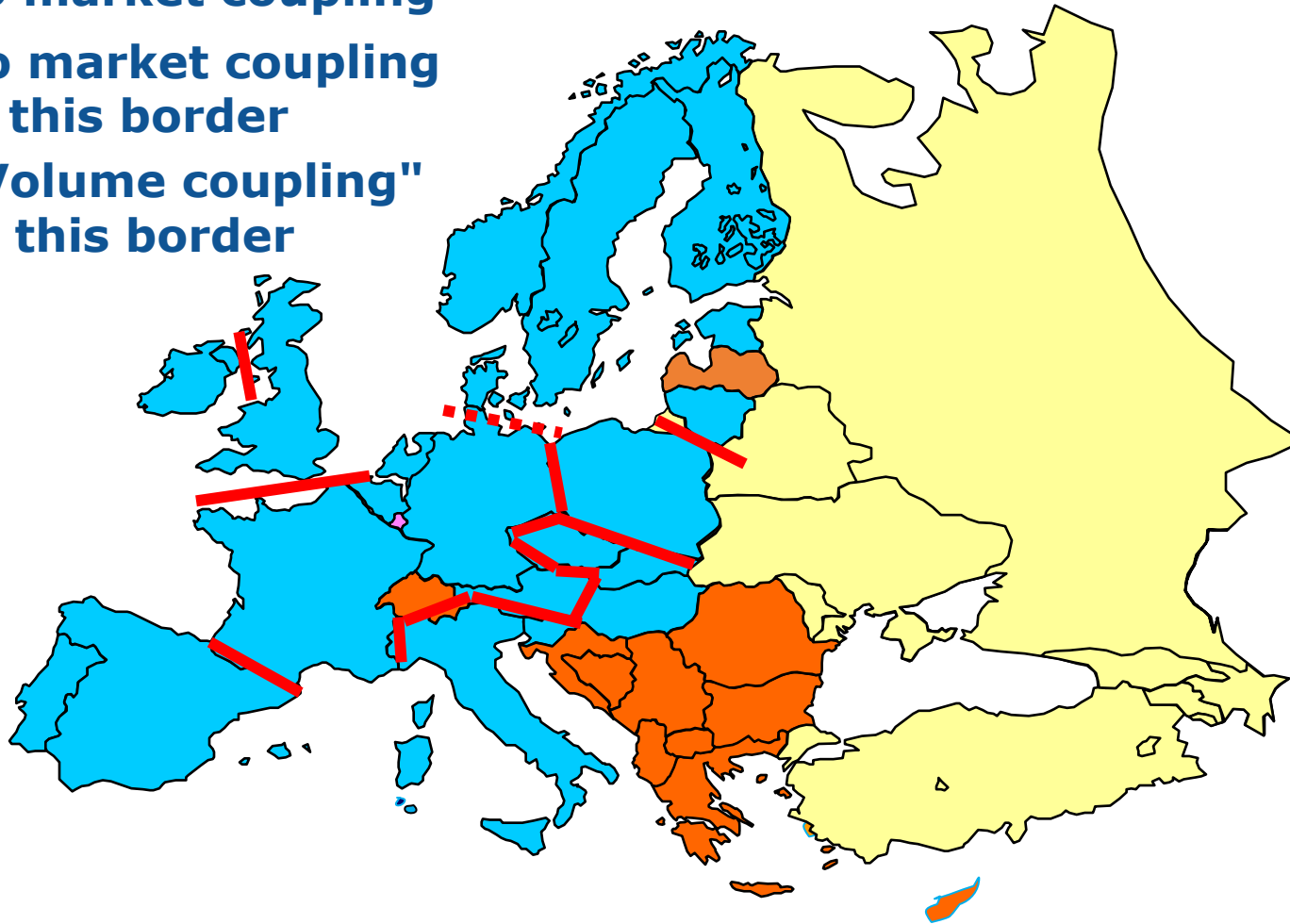


# Status of network codes

- **Grid connection of generation**
  - ACER reasoned opinion with a limited number of issues
- **Demand connection**
  - Issues?
- **System operation**
  - Work ongoing
  - Training?
  - Emergency code
- **Forward markets**
  - Work just started
- **Balancing**
  - Work started end2012
- **Horizontal issues**
  - Monitoring
  - Too much left for decisions by TSOs?
  - Record keeping of national decisions

# Market coupling 20.11.2012

-  Market coupling
-  No market coupling
-  No market coupling at this border
-  "Volume coupling" at this border

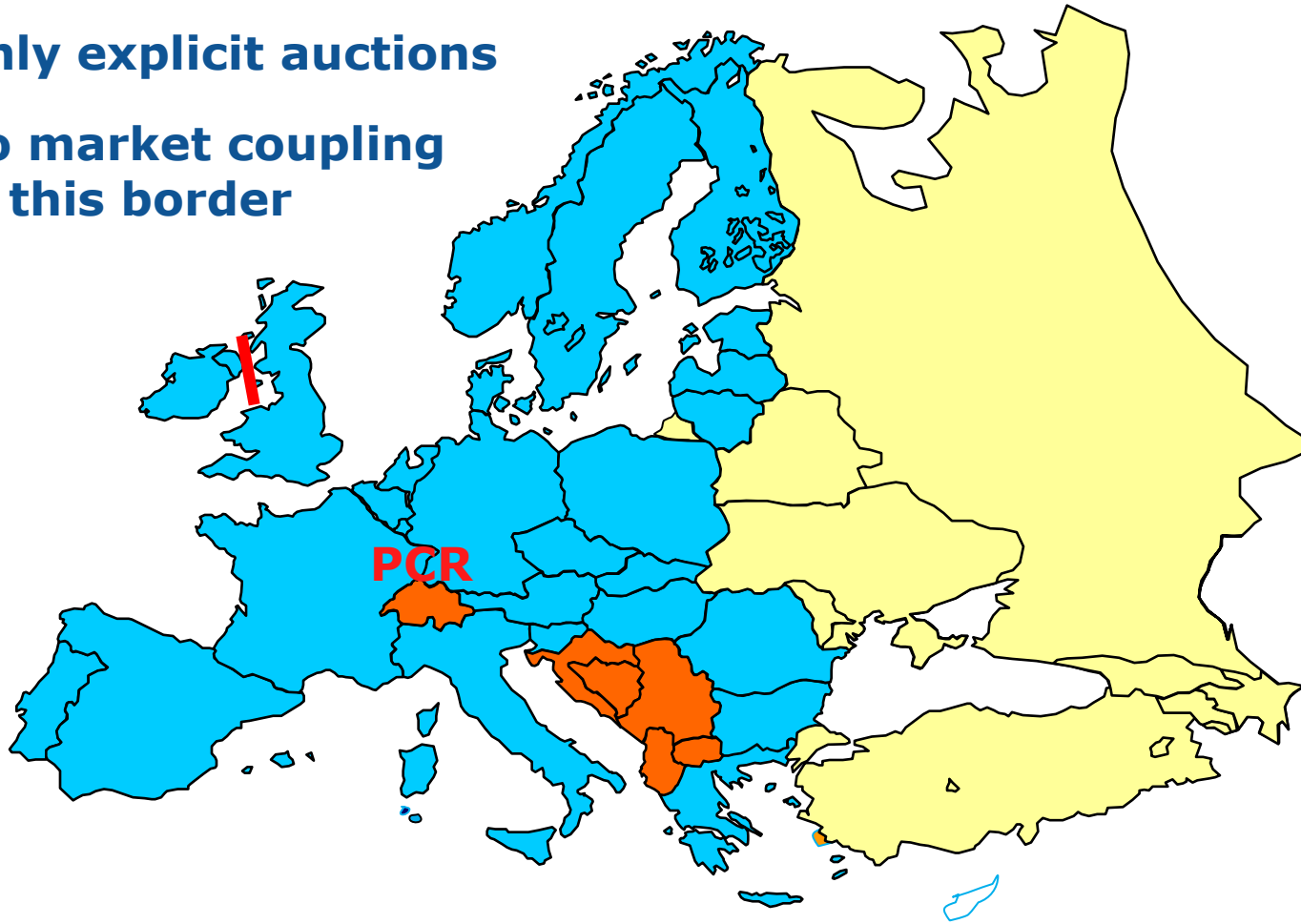


# European market in 2014?

 Day-ahead and intra-day coupling

 Only explicit auctions

 No market coupling at this border



## Next steps – CACM

- **Commission to make an impact assessment**
- **To draft a single act which includes the network code and the governance guideline**
- **Introduce the single act to comitology**



**Thank you for your attention!**



Energy