

**Comments of CEZ, a. s.  
Draft Strategy for delivering a more  
integrated European energy market:  
The role of the Regional Initiatives –  
Public Consultation**

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## I. Introduction

CEZ, a. s. (hereinafter referred to as “CEZ”) welcomes the opportunity given by the ERGEG to all interested parties to comment the text containing Draft Strategy for delivering a more integrated European energy market: The role of the Regional Initiatives within the Public Consultation process.

In this paper CEZ has expressed several comments to the problem.

## II. Specific comments of CEZ

### 1. Questions - set 1

There is no ‘blueprint’ for achieving a single energy market, and yet activity towards that goal is taking place across a number of levels. Do you consider that a high level/strategic vision is needed to set the overall direction of market integration? Should this vision be the same in gas and in electricity? How do you think it should be formed, and who should be involved? Which sort of forum do you think would be appropriate for the development of such a strategic vision? Do you see a risk that developing a strategic vision may delay implementation in the regions under current structures, or that it could facilitate progress?

Answer:

CEZ believes that more specified strategic vision is necessary – general wish to have an integrated energy market is not sufficient. It is difficult to specify in advance whether to have a single vision both for electricity and for gas, is a good approach. Nevertheless, due to links between both commodities the common approach can be recommended. CEZ considers that the regulatory forum (generally speaking of those who are setting limits and rules) can hardly be the only appropriate platform for developing such a vision of functioning energy market.

### 2. Questions - set 2

Member States have an important role in establishing a legally binding cross-border regulatory framework, as well as in relation to their own Member State’s interests. Work in the Regional Initiatives will be very relevant. Do you agree that Member States should be more closely involved in the work of the Regional Initiatives? If so, how should this happen?

Answer:

With regard to the answer to No. 1, Member States are the most important stakeholders and as such they must be involved into the process; but maybe not only into the regional initiative but possibly into various parallel bodies (just a thought).

### 3. Questions - set 3

There are currently 7 electricity regions in the ERGEG Regional Initiative, and 3 in gas whereas the overall target is to create a single region – the Single European market. How should the number of regions in the ERGEG Electricity Regional Initiative evolve towards a single market? Should the number of regions be reduced? And/or should specific topics firstly be merged across the regions? Which regions do you think should be merged or topic areas

reconfigured, and what criteria should be used in reaching a view? How many regions should result initially, and what topics might be reconfigured?

Answer:

The first objective should be to have main topics implemented within all regions. The question of reduction and/or reconfiguration of regions is in this aspect secondary and it should be discussed later.

#### 4. Questions - set 4

Not all regional market projects are part of the ERGEG Regional initiative, and yet the achievement of a single European energy market is the goal of all such regional projects. Do you agree that the regional market initiatives which are outside of the ERGEG Regional Initiative should be incorporated in some way in the overall approach to achieving a single European energy market? How do you think this should happen? If you disagree, what role do you think these initiatives should have and how do you think convergence of European markets should be achieved?

Answer:

European regulators regional structure can hardly be only one possible way how to converge to single European energy market. Without any detailed specification one can imagine also other ways outside European regulators regional structure. One thought: groups of entrepreneurs active in the energy sector should be involved in the process but possibly outside the regulatory scheme.

#### 5. Question 5

Could ACER improve co-ordination across the regions in a better way than is proposed in this paper?

Answer:

If ACER is flexible enough to encourage activities on the wide front of various interest groups and motivate them in the proper direction, the answer is „yes“. If ACER is only regulatory and administrative body the answer is „no“.