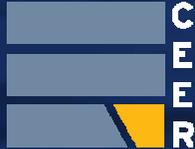




**Strategy for delivering a more
integrated European energy
market: The role of the Regional
Initiatives.
Conclusions document**

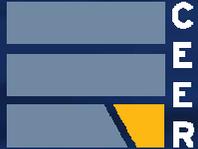
Lord Mogg
Chairman
EREGEG

10/11 June 2010



Background and timetable

- Consultation document published in November last year. Consultation closed 31 January 2010. 30 responses received (3 confidential)
- Conclusions document published [27 May 2010]
- Full discussion planned at Regional initiative Annual Conference on 8 July

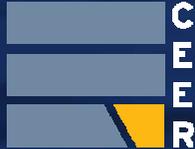


Central approach

- Key planks for setting future direction:
 - Clear forward vision to set direction for everyone's work plans
 - The Regional Initiatives have a critical role in co-ordinating the implementation of Framework guidelines, network codes and other European requirements
 - Member states, the Commission and ACER have key roles in delivering this central approach, as do stakeholders

Key conclusions 1

- **Regarding a vision for a single European energy market**
 - Strong support for the proposals in the consultation document.
 - The vision should build on progress already made and should result from a dialogue of member states, stakeholders and regulators – led by the Commission.
 - We should aim to find a broad consensus on the obstacles to achieving a single market and the priority in which they must be tackled, and the outcomes we want to see
 - The outcome should facilitate the development of complementary and consistent work plans by the Commission, ACER, the ENTSOs, the RIs, and others.

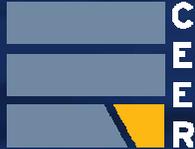


Key conclusions 2

- **Regarding the role of Member States in the RIs**
- Respondents gave almost unanimous support to proposals for greater involvement of Member States.
- RIs should be able to choose whether to involve Member States in appropriate IG meetings, or to hold separate meetings with member states.
- **Integration of non-ERGEG regional market initiatives**
- Little support for the integration of non-ERGEG regional projects into the ERGEG RIs. But co-ordination is needed.
- Commission to seek reports from the non-ERGEG regional initiatives to the Florence or Madrid forum. Regulators involved in non-ERGEG regional market initiatives will seek to ensure coherence between the different initiatives.

Key conclusions 3

- **Regarding the number of regions**
 - Little support for the geographic merger of regions, but significant support for merger of topics. Some suggestions for mergers of specific regions.
 - Foster the merger of topics across regions. Important role for ACER in ensuring co-ordination among regions on each topic.
- **Regarding co-ordination of the RIs through ACER**
 - There is wide (but not unanimous) agreement that ACER should co-ordinate the RIs.
 - EREGEG considers that ACER, when it becomes operational, should take over the co-ordination role from EREGEG.



New Role of RIs implementing European requirements

- The RIs should be used as the main basis for co-ordinating the **implementation of cross border European requirements** so there is coherence at a detailed level.
- **ACER** should co-ordinate this activity at European level.
- “Implementation” means the reorganisation of national arrangements (such as market rules, contracts and platforms) so that they are compliant with European requirements (notably Framework Guideline policies and the rules in network codes).
- ERGEG will consider the development of potentially binding guidelines on co-operation between NRAs to facilitate co-operation on monitoring and enforcement activities across borders.



Thank you

Lord Mogg

Chair

ER GEG

4 May 2010