



GEODE COMMENTS ON ERGEG DRAFT STRATEGY FOR DELIVERING A MORE INTEGRATED EUROPEAN ENERGY MARKET: THE ROLE OF THE REGIONAL INITIATIVES

GEODE as a European association representing the interest of **energy distribution companies** welcomes the opportunity to comment ERGEG “draft strategy for delivering a more integrated European energy market: the role of the Regional Initiatives”. **GEODE** welcomes the work done by ERGEG on the consultation document and its analysis on the strategy to be followed.

GEODE considers that the **European Single Market (ESM)** is the best way to facilitate better market conditions by making electricity and gas companies compete with each other at the EU level and, therefore, **GEODE** supports ERGEG Regional Initiatives as an adequate measure for market integration at regional level as an interim step to facilitate progress towards a single European energy market.

GEODE shares ERGEG view that the Regional Initiatives will have a major role once Third Energy package is implemented and that ACER will play a particular role regarding coordination of regional cooperation. The implementation of the third package has the potential to speed the process to the achievement of a **ESM** as it introduces a new framework including a new Agency to facilitate cooperation between national regulators and Transmission System Operators (ENTSOs) and will provide binding and enforceable rules within the Regional Initiatives, development of Framework Guidelines and adoption of network codes. However special attention should be provided to encourage coordination between European and regional/national regulations to avoid overlapping.

GEODE agrees with ERGEG’s recommendation of strengthening the role and influence of Member States within Regional Initiatives as well as the Commission. They both could play an important coordination role.

As it refers to the reduction of the number of geographic regions, **GEODE** considers that ERGEG recommendation to converge individual topic areas across a number of certain regions, would be sufficient. Two or more regions can always cooperate to harmonize framework rules and operation as well. Then cooperation on a topic by topic basis is preferred.

GEODE totally shares ERGEG’s consideration regarding the importance of stakeholders involvement as central participants in the Regional Initiatives.



GEODE will continue supporting Regional Initiatives as facilitator of progress in the regions and as a forum to identify and tackle particular market obstacles, towards European energy market integration. GEODE assumes that the need to continue Regional Initiatives will remain.

Barcelona, 30th January 2010