



Infrastructure Development in the European Union

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- World Forum on Energy
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Establishment and Maintenance of an Efficient Electricity Market



- Pre-requisites for an efficient and attractive market:
 - Stable investment climate and regulatory framework with transparent and enforceable rules that are respected by all market players
 - Non-discriminatory and transparent access for all market players
 - Compatibility of regional rules to ensure a neutral and non-distorted playing field for competition
 - No restrictions on the choice of instruments to manage risks

Consistency in TSOs' System Responsibilities



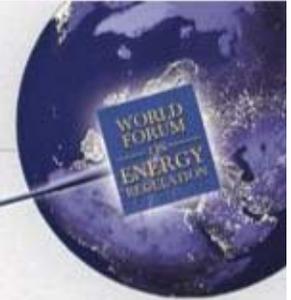
- It is the responsibility of TSOs to facilitate markets
- Core tasks of individual TSOs are broadly similar, relating to:
 - The operational security of the power system
 - The instantaneous balance between supply and demand
 - Ensuring adequacy of the transmission system in the long term
- Similarly the roles of NRAs are well understood,
- Structures, powers and roles of NRAs may differ between Member States

The Challenges Ahead



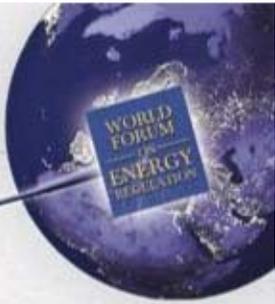
- Implementation of recent European legislation and strategy
- 3rd Package
 - ENTSO-E, ACER and clarity of responsibility
- Renewable Energy Directive
 - Priority or guaranteed connection/dispatch for RES
 - 2020 targets
- TEN-E Guidelines, 2nd Strategic Energy Review, Green Paper Towards a Secure, Sustainable and Competitive European Energy Network etc.

Developing the Internal Energy Market



- “One of the next great European projects is to give Europe a new European supergrid for electricity and gas” (J Barroso, Sept ‘09)
- Does the market drive infrastructure development, or does the infrastructure shape the market?
- What *is* a supergrid?
- Recent focus has been increasingly on interconnections
- Practical progress towards integrated markets may be best achieved at a regional level

System Development in ENTSO-E



North Sea

Baltic Sea

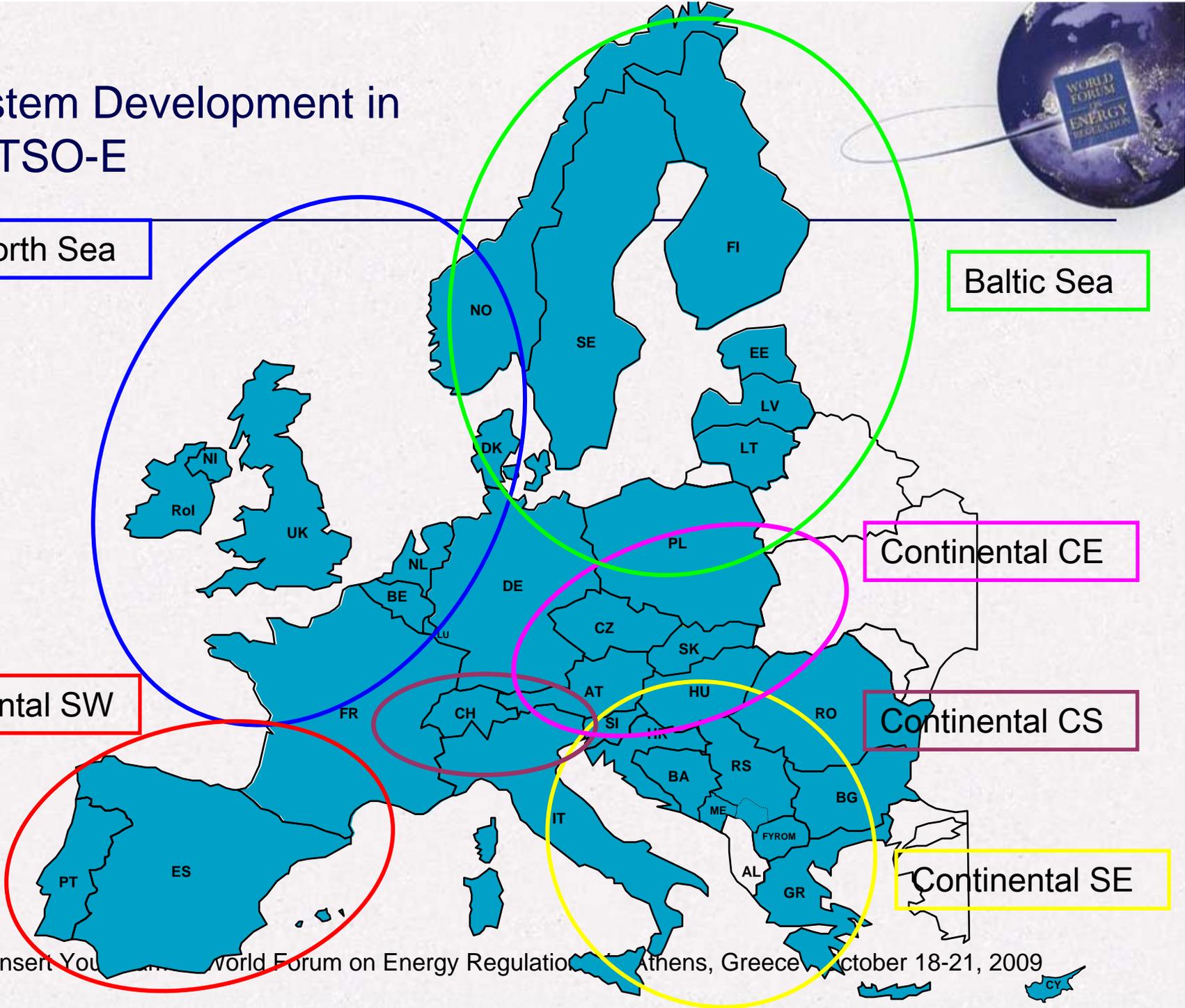
Continental SW

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Building the Future?



- Participants require compatibility of regional rules to ensure a neutral and non-distorted playing field for competition
- Inter-country or regional regulation is in its infancy
- Technical and regulatory difficulties can be overcome
- Infrastructure investments in one country may bring no direct benefit in that country...particularly in the case of a “supergrid”
- Local opposition to such development is likely to be intense

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- How to obtain consents and licences to develop