

EREGEG Electricity Regional Initiative Central East Europe

EREGEG (the European Regulator's Group for Electricity and Gas) has launched its "Electricity Regional Initiative" (ERI) on 27. February 2006. The aim of the Initiative is to facilitate the establishment of seven electricity Regional Energy Market (REM) projects in the EU¹ and to identify and remove barriers to electricity trade and competition, with the overall aim of accelerating the development of a single electricity market in Europe.

Each project will bring together regulators, TSOs/market operators, Member State governments, the European Commission as well as producers, traders and other stakeholders. The active participation of all stakeholders is of paramount importance for the success of this process. It is intended that each project identifies and publishes, based on the priority areas in the EREGEG Conclusions Paper², the priority issues to be addressed in their region

To this end, a Regulatory Coordination Committee (RCC) is established for each region, chaired by a "lead regulator". The coordination committee will collaborate and consult with TSOs, market operators and Member State governments in order to further establish and publish timetables for the technical work required to address the specific areas. This will include allocating responsibility for the tasks, whilst involving network users and other stakeholders as appropriate, through a corresponding consultation.

EREGEG's agreed timeframe provides that by the end of April initial priorities for each region will be established; in May – June stakeholders' participation and detailed timetables will be defined, in Autumn progress reports should be published, and in 2007 onwards concrete work established in the timetable should be undertaken. Information on the Electricity Regional Initiative generally, and on each of the regions in particular can be found on the EREGEG website at http://www.ereg.org/portal/page/portal/EREGEG_HOME/EREGEG_RI/ERI.

Against this background, I would in my capacity as chairman of the RCC for region Central East Europe like to inform you, that the initial meetings of the RCC for our region that were held on 05. April and 29. May 2006 represent important milestones for the initiation of the actual work, that has already commenced during the first CEE Implementation Group (IG, comprising TSOs and traders) meeting on 25. April 2006. These meetings were extremely fruitful and provided a good basis for discussions on the way forward in the region, as well as on the key priority issues to be addressed for the region for overcoming barriers that prevent the development of competitive energy markets. Priority topics identified in the region include inter alia: Congestion

¹ EREGEG RI Facts Sheet,
http://www.ereg.org/portal/page/portal/EREGEG_HOME/EREGEG_DOCS/PRESS_RELEASES/E05-ERF-03-06B_ERI_FS-05-02-22.PDF

² Creation of Regional Electricity Markets – Conclusions Paper February 2006, available on www.ereg.org.

Management, transparency, regulators' responsibilities in cross-border trade / regulatory gap and market entry barriers. On a mid term of 2007 and beyond the further topics to be addressed are balancing and market design issues of importance for evolution of the regional markets.

Furthermore, a timetable for the technical work required to address these topics has been established with the first Mini Forum scheduled for 22. June 2006 and the second IG meeting tentatively scheduled for mid July 2006.

For the detailed information on the ongoing work, deliverables, meetings and decisions concerning the ERGEG RI CEE, please refer to the ERGEG website, http://www.ergeg.org/portal/page/portal/ERGEG_HOME/ERGEG_RI/ERI/Central-East.

I very much hope that this initiative will be welcomed by all the stakeholders at the national and European level and receive their clear support, without which the broad set of issues that electricity markets across our region face cannot evidently be tackled. I would like, therefore, to highlight the importance of the collaboration of all players and stakeholders in the region with the Regulators, for the proper implementation of the concrete work to be undertaken.

I look forward to making progress at a practical level in our region. The active input of all players and stakeholders in this process is vital and we will ensure a regular update on the relevant developments in a transparent manner.

Vienna, 02. June 2006



Walter Boltz

Chairman Energie Control GmbH
Chairman RCC of the ERGEG RI CEE