



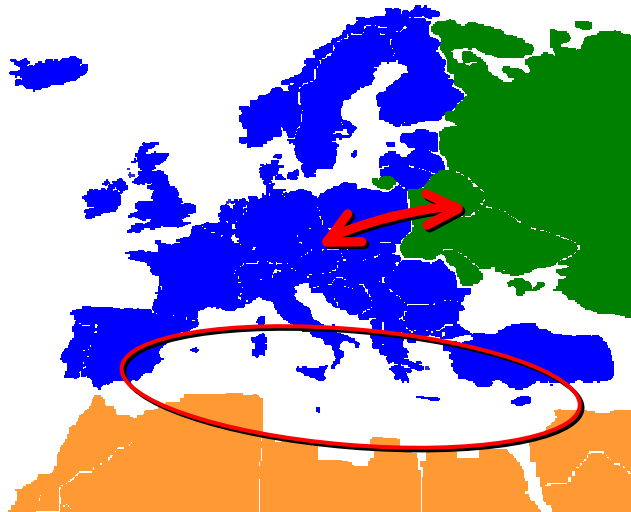
## **AT THE FOREFRONT OF THE ELECTRICITY INDUSTRY**

*Gaël GLORIEUX – Adviser, Markets Unit  
ASEAN tour, Wednesday 12 July 2006*



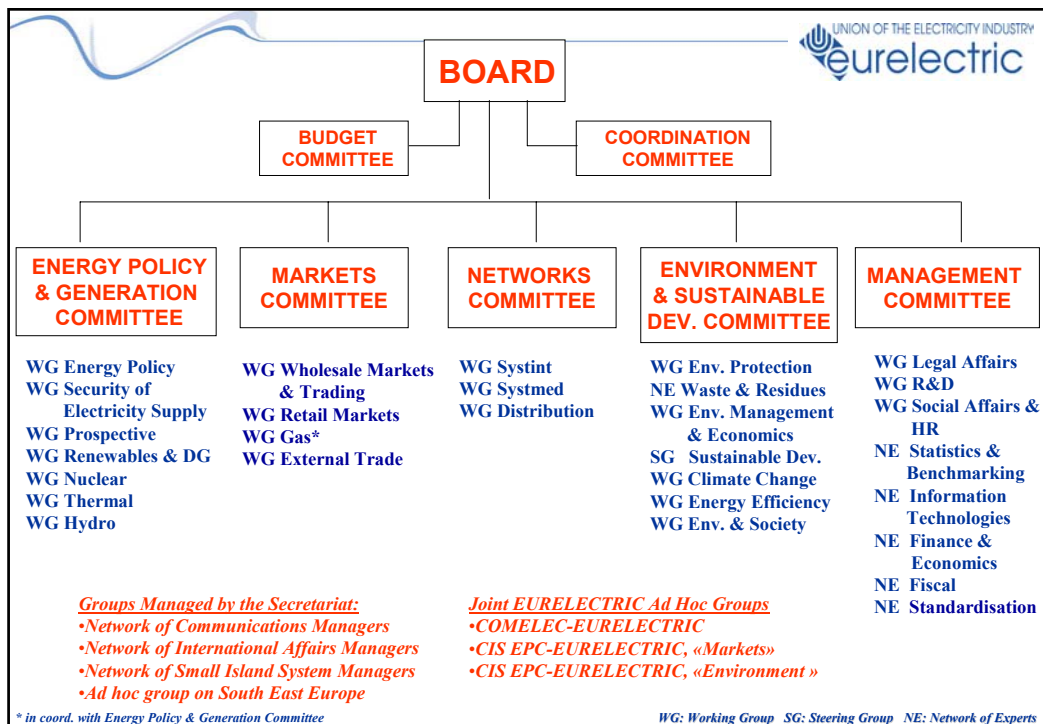
**Representing the European Electricity Industry  
at Expert, Strategic and Policy-making Level**

## MEMBERSHIP: A PAN-EUROPEAN AND MEDITERRANEAN VIEW



## MEMBERSHIP OVERVIEW

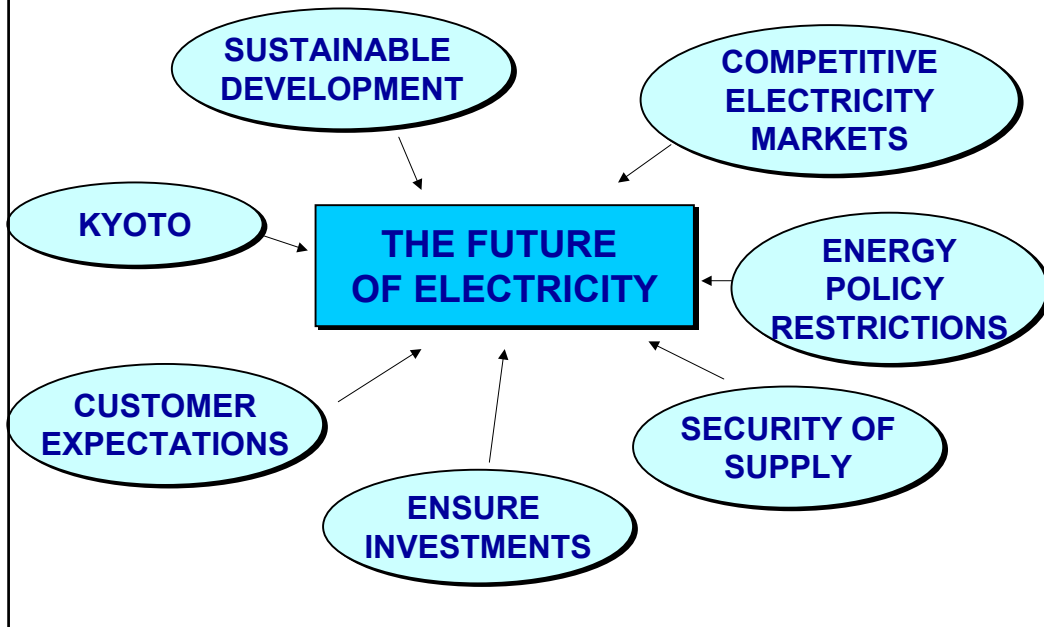
- **33 FULL MEMBERS**
- **9 EUROPEAN AFFILIATE MEMBERS**
- **7 MEDITERRANEAN AFFILIATE MEMBERS**
- **7 INTERNATIONAL AFFILIATE MEMBERS**
- **9 EI ASSOCIATE MEMBERS**
  
- **25 BUSINESS ASSOCIATE MEMBERS**



UNION OF THE ELECTRICITY INDUSTRY  
**eurelectric**

## KEY PRIORITIES

- 1. Liberalisation Process**  
Contribute to the creation of a pan-European energy market through harmonisation and industry action
- 2. Pan-European Context**  
Contribute to a good business environment and to the integration of the Electricity Industry at international level
- 3. Sustainable Development**  
Promote the role of electricity and electro-technologies as “part of the solution” to the global environmental problem; systematically integrate sustainable development policies in key strategies and actions; promote market-oriented policies



## IEA REPORT

### “Lessons from Liberalised Electricity Markets”

*“Electricity market liberalisation is not an event. It is a **long process** that requires strong and sustained political commitment, extensive and detailed preparation, and continuous development to allow for necessary improvements, while sustaining on-going investment”.*

## CONTINUOUS PROGRESS ON MULTIPLE FACTORS

	Work done	Work to do
Implementation of existing directives	X	X
Cooperation between regulators/governments	X	X
Effective unbundling	X	X
Regulated transmission access	X	
Abolition of cross-border fees	X	
Market based congestion management	X	X
Access to network data	X	X
Power exchanges	X	
Cooperation between power exchanges	X	X
Liquidity	X	X

.../...

	Work done	Work to do
Transparency of market data	X	X
Trade mechanisms	X	X
Supplier switching procedures	X	X
Interconnection expansion	X	X
Reduce authorisation barriers		X
All energy options open		X
Inter TSO network planning / operation	X	X
Regulatory level playing field	X	X
Market tools for environmental objectives	X	X
Internationalisation of producers/suppliers	X	X
Competitive access to gas	X	X

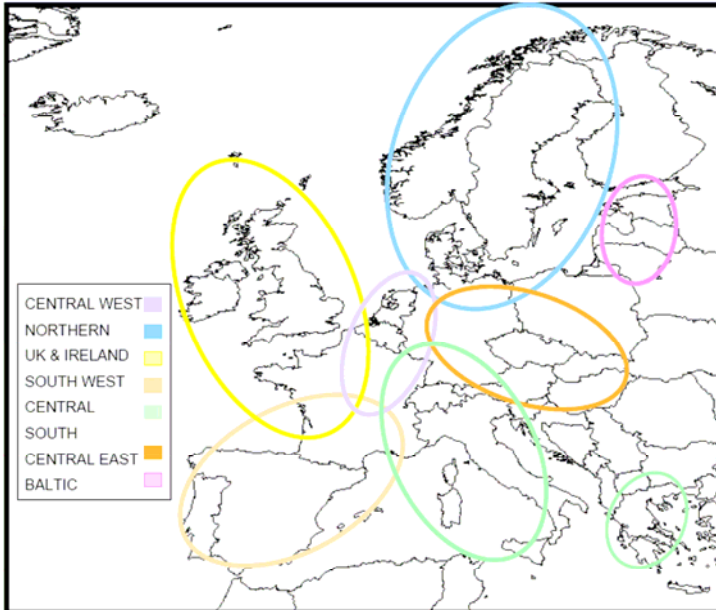
## CONCLUSIONS

- The process of creating a well-functioning European electricity market is not completed but has considerably advanced and is ongoing
- The process was initiated by regulation but now market actors are a key driving force to progress
- Successful market building is a process based on progress on multi-factors, not on reaching “ideal” conditions for one or a few criteria.

## EURELECTRIC road map towards a pan-European market

- Objective:  
Create a sufficiently harmonised market framework
- Means:
  - Use regional markets as an intermediary step, BUT care should be taken that they do not develop in different directions
  - Use expansion of liquid wholesale as a driver for market integration

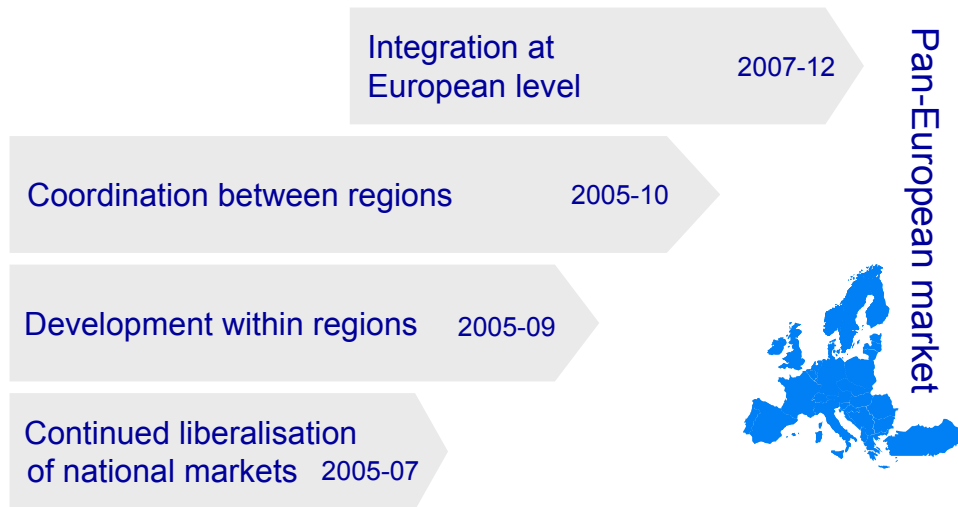
## EUROPEAN REGIONAL MARKETS



## EXPANSION OF WHOLESALE MARKETS

- Will enhance price convergence
- Will increase the number of market players
- Will alleviate concerns of market concentration
- Will stimulate liquidity on the trading markets
- Will stimulate the need for common rules on transparency
- Will reinforce trust in price formation and markets' abilities to deliver

## ROAD MAP TO A EUROPEAN ELECTRICITY MARKET: PARALLEL APPROACH



## What is up now?

- **Sector inquiry**  
EURELECTRIC drafted a response.
- **Mini-fora**  
EURELECTRIC participating.
- **Green paper**  
EURELECTRIC drafted a response.
- **High-level group**  
EURELECTRIC participating.
- **A 3rd package?**  
EURELECTRIC thinking ahead.





**At the Forefront of the European  
Electricity Industry**

**[www.eurelectric.org](http://www.eurelectric.org)**