

European Regulators Group
for Electricity and Gas (ERGEG)
c/o Council of European Energy Regulators (CEER)
Rue de Titien 28
B-1000 Brussels

29 January 2010

The role of the Regional Initiatives

Swissgrid response to public consultation

Dear Sir or Madam,

On behalf of Swissgrid, the Swiss TSO, we are pleased to hereby provide our response to the public consultation "Draft Strategy for delivering a more integrated European energy market: The role of the Regional Initiatives".

Question 1: There is no 'blueprint' for achieving a single energy market, and yet activity towards that goal is taking place across a number of levels. Do you consider that a high level/strategic vision is needed to set the overall direction of market integration? Should this vision be the same in gas and in electricity? How do you think it should be formed, and who should be involved? Which sort of forum do you think would be appropriate for the development of such a strategic vision? Do you see a risk that developing a strategic vision may delay implementation in the regions under current structures, or that it could facilitate progress?

Yes a high-level strategic vision for the European electricity market is necessary. It should be oriented on the central upcoming issues like security of supply and sustainability. Additionally we also consider the question of an appropriate market model as important. Concerning sustainability we especially see the integration of renewable energy power plants as one of the main tasks.

Since the question of a vision is closely linked to that of a long term strategy we consider a closer involvement of the according national ministries as necessary. For the more detailed process the regulators should be responsible. Additionally there should be intended a leading role to the TSOs, since they have the responsibility for the main task of security of supply. Moreover all concerned stakeholders should be included in the development process.

Question 2: Member States have an important role in establishing a legally binding cross-border regulatory framework, as well as in relation to their own Member State's interests. Work in the Regional Initiatives will be very relevant. Do you agree that Member States should be more closely involved in the work of the Re-gional Initiatives? If so, how should this happen?

We support the approach that member states should be more closely involved in the work of the Regional Initiatives. Especially in cases where an adaption of the regulatory framework is aspired the process can be accelerated by an early involvement of the concerning states and its ministries.

Furthermore the special characteristics of the electricity sector must be taken into account. More than in other industries the European electricity grid is a technical system which is very close connected. Additionally it provides the platform for a common market. It is therefore elementary that states are involved depending on their functional connection to the system, regardless of their political membership.

Question 3: There are currently 7 electricity regions in the ERGEG Regional Initiative, and 3 in gas whereas the overall target is to create a single region – the Single European market. How should the number of re-gions in the ERGEG Electricity Regional Initiative evolve towards a single market? Should the number of regions be reduced? And/or should specific topics firstly be merged across the regions? Which regions do you think should be merged or topic areas reconfigured, and what criteria should be used in reaching a view? How many regions should result initially, and what topics might be reconfigured?

We consider especially topic oriented cooperation as sensible. Hence cooperation should be done where technical and functional connections require it and not where they are politically defined. Therefore - depending on the topic - an involvement of different regions could be necessary even if it crosses regional borders.

Question 4: Not all regional market projects are part of the ERGEG Regional initiative, and yet the achievement of a single European energy market is the goal of all such regional projects. Do you agree that the re-gional market initiatives which are outside of the ERGEG Regional Initiative should be incorporated in some way in the overall approach to achieving a single European energy market? How do you think this should happen? If you disagree, what role do you think these initiatives should have and how do you think convergence of European markets should be achieved?

Cooperation should be based on functional connection and therefore not depend on politically defined regions (cf. answer to question 3).

Question 5: Could ACER improve co-ordination across the regions in a better way than is proposed in this paper?

The future relationship between ACER and Switzerland is part of the bilateral negotiations. In general we welcome the strengthening and extension of existing regulatory forums and platforms, since they are giving the opportunity of additional discussion.

Best regards,

Swissgrid Ltd.



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