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Date August 30, 2005 /003759838  
Re  
Contact Dr. Rainer Bacher  
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### **Consultation "The creation of Regional Electricity Markets"**

Dear Mrs. Shortall

Thank you for the opportunity to comment the ERGEG Discussion Paper "The creation of Regional Electricity Markets" from 08 June 2005.

Due to its central position in the European high voltage grid and the physical interdependence, Switzerland is strongly affected by the European Commissions aim to work towards the creation of a single, efficient and competitive electricity market.

We are interested and welcome the initiative on regional markets as a route to the creation of single European market. Regarding the complexity and importance of the guaranteed security of supply, a stepwise harmonization of the rules seems to be promising approach towards the goal of a single market.

#### **Comments on Chapter 2: Obstacles to trade: network operations**

2.2: Additional role of TSO: The provision and exchange of information is one of the most important core function of the TSOs. Etrans (and later Swissgrid) as the UCTE-South coordinator will continue to provide this service in order to establish an efficient use of transmission capacity within in its region.

2.24: We agree with the goal to maximize the available capacity and provide incentives for TSOs to do so. New measures like flexible NTC-values go in the right direction. At the same time, long term contracts must not be questioned. Protection of property

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rights are important elements for existing and new long term investments into the infrastructure.

2.40: To improve the quality and efficiency of the system operation, we support measures for better coordination between TSOs. In addition to coordinated, robust long-term planning measures, we also strongly support flexible, coordinated short-term balancing measures (such as cross-border day-ahead markets) in a regional context.

2.49: The potential obstacle to the effective operation of a regional electricity market by "pushing congestion" out to national borders should be prevented by transparent methods to define congestions.

### **Comments on Chapter 3: Obstacles to trade: wholesale market arrangements**


For the coordination between wholesale markets a coordinated cross-border intra-day trade should also be a topic. For example, short term instruments for congestion management should be considered.

### **Comments on Chapter 6:**

We support ITC methods which are based on physical measurements of cross-border flows (current CBT/ITC mechanism) possibly combined with accurate network flow models for comparing transmission network use with and without cross-border flows. The chosen method should be uniformly applied across the UCTE-network.

For any questions about our remarks please don't hesitate to contact us.

Yours sincerely,



Dr. Walter Steinmann

Swiss Federal Office of Energy SFOE  
Director