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Effective Regulation and Unbundling – an
introduction

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A new Energy Policy for Europe

Competitiveness, security of supply, sustainability

Third Energy Package of EU legislation

- **Published on 19 September 2007**
- **Consists of the Commission's legislative proposals**
- **Ongoing negotiations, involving the Council of the European Union, the Commission and the EU Parliament**

Third Energy Legislative Package

First and second package 1996 - 2005

Regulated Third party access to
transmission/distribution

Legal and functional unbundling of
TSOs/DSOs

Regulator for gas and electricity in all EU
countries

100% market opening



Third package 2009?

Effective unbundling (ownership unbundling
or deep ISO)

Strengthening of the independence and
powers of regulators

Agency for the Cooperation of European
Regulators

**A “green” package of energy legislation proposals is
also due to be published in January**

The European Energy Regulators

- **Cooperation on an informal basis within the Council of European Energy Regulators (CEER)**
- **Creation of the European Regulators Group for Electricity and Gas (EREG) in 2003**
 - **The EREG acts as an advisory group to the European Commission in consolidating the internal market for electricity and gas**
- **Membership not strictly identical but same Chairmanship and Board**
- **CEER prepares all the EREG decisions and has its own areas of work**

The European Energy Regulators' views (1/2)

The European Energy Regulators welcome the third package

- **EU legislation needed to achieve the objective a single European energy market**
- **Powers and independence of national regulators need to be enhanced**
- **Support for ownership unbundling in principle, even if will not solve all the problems**

The European Energy Regulators' views (2/2)

New EU Regulatory body necessary to fill the “regulatory gap”, but....

- **Commission’s proposals must be improved**
- **Board of Independent Energy Regulators must be sole decision-making body within the Agency**
- **Cooperation of TSOs at EU level must be overseen by the Agency**

Arrangements at national level for powers and independence of regulators must be replicated at EU level

Next steps

European Energy Regulators already working in the interim period

- **Before new legislative measures enter into force**
- **Technical and market codes will be the backbone of European infrastructure serving the European single energy market**
- **Regulators are taking the lead to develop these codes, in cooperation with TSOs and in consultation with all market participants**