



EU Policy Outlook

Towards uniform and binding network codes in the EU

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Energy Union

True **solidarity and trust**; speaking with **one voice** in global affairs

An **integrated**, continent-wide energy system

Sustainable, **low-carbon** and climate-friendly economy

Strong, innovative and **competitive** European economy

Citizens taking ownership of the energy transition

Towards an internal energy market

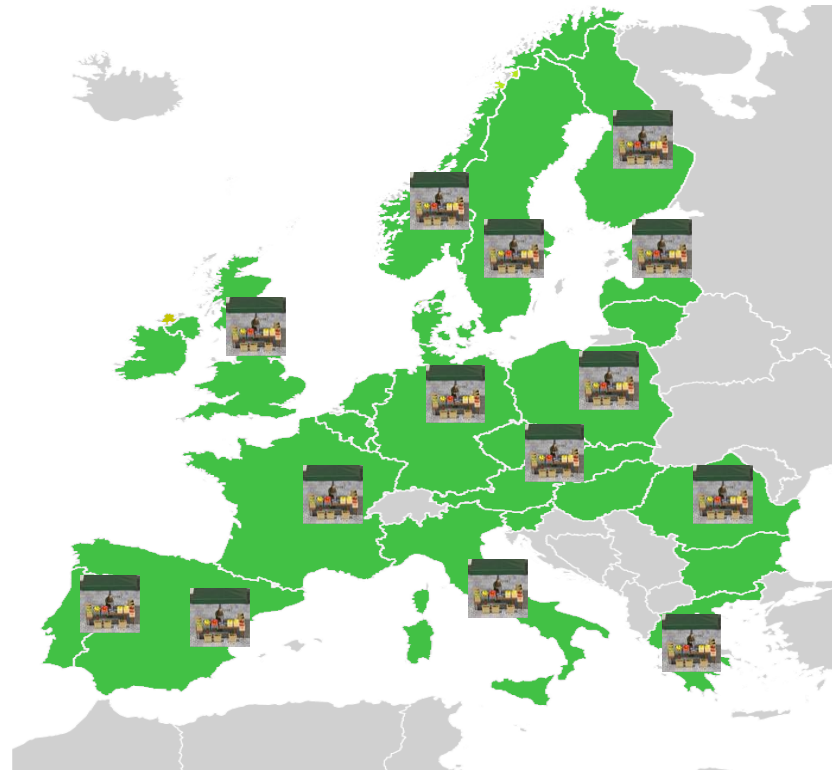
- Third Energy Package (2009-2011)
 - New institutional framework: ACER and Entso-E/Entso-G
 - Provision for the adoption of network codes
 - Conditions for third party access to national networks (e.g. regulated tariffs)
- Energy Union (2015)
 - Strengthened role of ACER
 - Creation of Regional Operational Centres
 - Complete the adoption of **network codes**

Network codes

Before:

Isolated national
electricity/gas markets

- Low liquidity
- No RES aggregation
- No optimal allocation



Network codes

3rd Energy Package onwards:

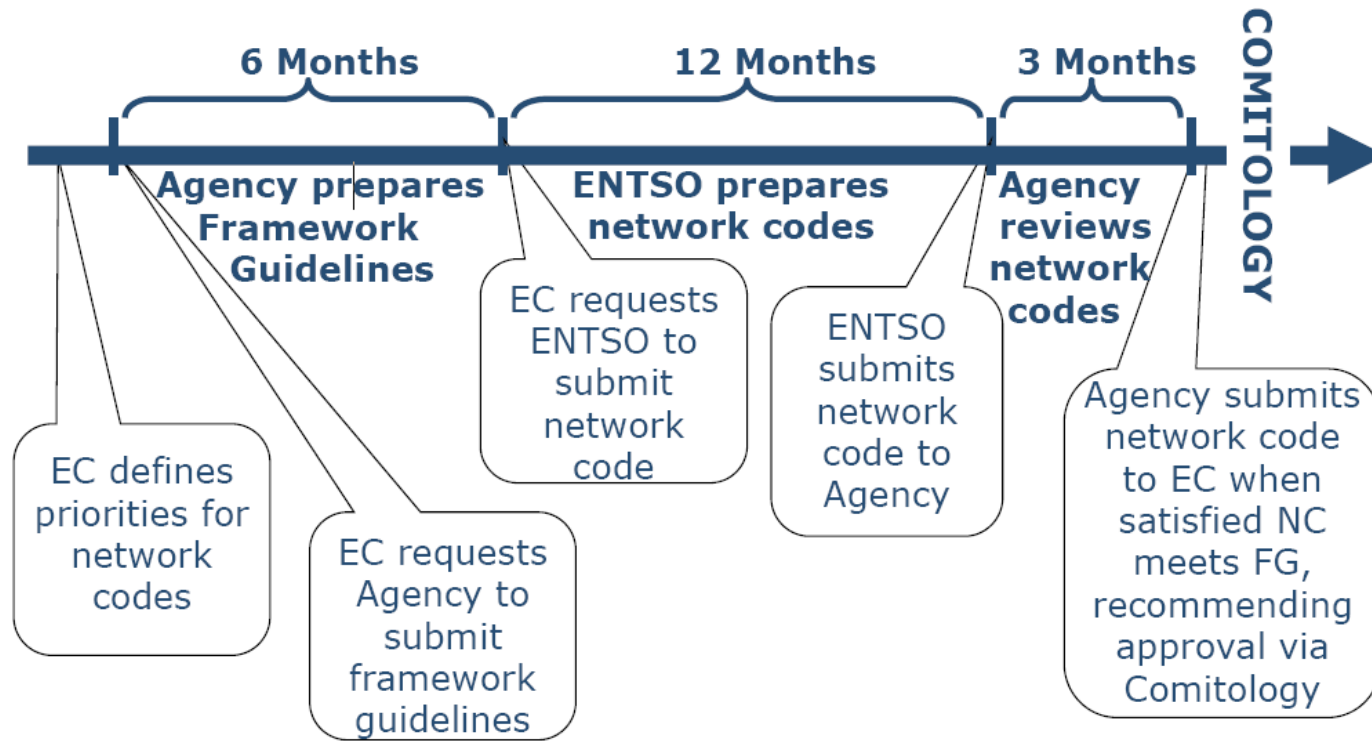
- Optimised capacity calculation
- EU-wide aggregation of bids and offers



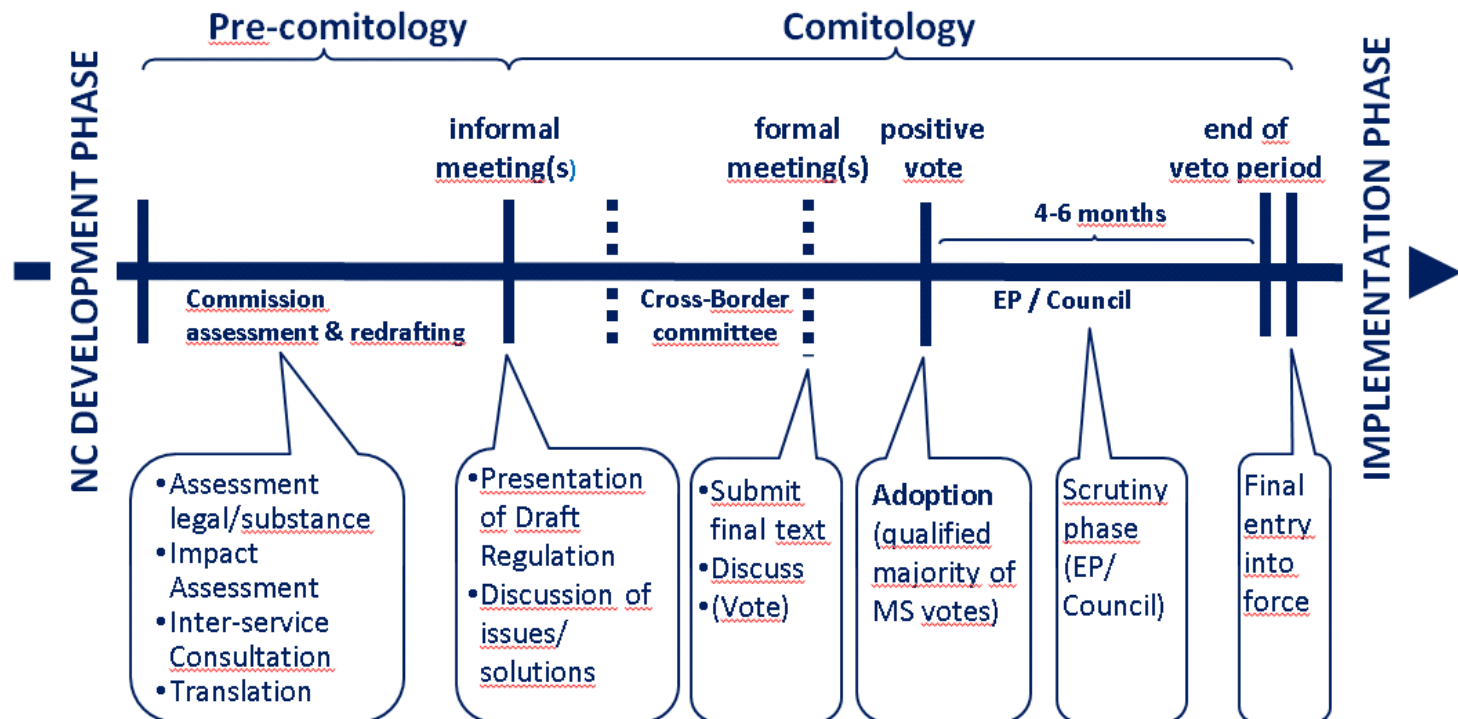
What are network codes?

- Network codes are a set of rules that aim to facilitate the **harmonization, integration and efficiency** of the European electricity and gas market.
- Network codes **provide the regulatory framework for access of 3rd parties.**

Development phase



Adoption phase



Some **adopted** network codes

Gas Congestion Management Procedures

- Key elements: overselling and buy-back provisions; use-it-or-lose it provisions.

Gas capacity allocation mechanisms

- Key elements: transport capacity to be auctioned on a cross-border capacity platform; harmonization of the gas day; standardization of products; capacity bundling

Gas balancing

- Key elements: market based balancing regime; harmonisation of balancing products; market based procurement of these by Transmission System Operators; providing price signals and improving competitiveness in the gas market, especially in promoting competition in emerging markets.

Electricity market coupling

- Key elements: capacity allocation; management of congestion; rule on trading in intraday and day-ahead electricity markets.

Network codes **under development**

Gas

- Incremental capacity (amendment of CAM Gas transmission)
- Tariffs

Electricity

- System operation
- Emergency and Response
- Balancing
- Grid connection rules

To complete the Internal Energy Market, more grids and better rules are required

Software

- Enforcement of the rules
- **Finalising Network Codes**
- Application in practice

Network Codes:

- **Electricity:** 9 close to finalisation
- **Gas:** 3 established, 1 to be adopted in April 2015, 2 in the pipeline

Hardware

- **TEN-E Regulation (Projects of Common Interest, Connecting Europe Facility)**

The first Union list of PCIs

- 55 clusters of 107 PCIs in gas
- 66 clusters of 132 PCIs in electricity
- 7 PCIs in oil
- 2 PCIs in smart grids

Total: 248 PCIs



Thank you !

http://ec.europa.eu/priorities/energy-union/index_en.htm

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