

NARUC Press release

EU and US energy regulators call for New technologies and services in energy industry

EU and US energy regulators urged development of innovative technologies and services in the energy industry. The regulators met in Washington DC on February 12-13, 2005 during the Winter Meetings of the National Association of Regulatory Utility Commissioners (NARUC). The 5th EU/US Energy Regulators' Roundtable addressed two main issues: security of electricity supply and regional electricity and natural gas markets.

Analysing in depth the large 2003 black-outs in North America and in Europe, regulators concluded that new technologies and services are crucial to ensure appropriate reliability levels. New transmission capacity is needed to match new flow patterns resulting both from free electricity trade and from decentralized generation, mainly from renewable sources and co-generation. However, new lines will be of little use if innovative technologies, new communication procedures, new simulation tools for operational decision-making, and suitable training are not provided. System operators have been too slow in reviewing reliability standards, operational rules and protection schemes, and too slow in taking into account changing market conditions and the huge potential offered by new information and communication technologies.

The challenge of efficiently integrating large amounts of decentralized generation into power systems, as a consequence of current environmental and energy policies, cannot be matched without consistent introduction of new control systems and technologies.

The application of new technologies to electricity systems will enable more robust power markets – both from the economic and from the reliability point of view. New technologies can also help optimise the use of network and generation assets, minimize security risks, and improve quality of supply. Innovative services to energy consumers can foster increased consumer satisfaction, value to suppliers and new jobs in the energy sector.

Independent transmission system operators and distribution operators from both sides of the Atlantic may benefit from the evaluation and comparison of different practices. Regulators strongly encourage their efforts to become more innovative, to adopt best practices, and to quickly modernize power control systems.

The 3rd World Forum on Energy Regulation is being organized by NARUC, in close cooperation with the CEER, and it will be held in Washington, DC on October 8-11, 2006. It will provide a valuable platform for assessing the impact of new technologies upon reliability and quality of service and for introducing best practices into energy systems.

Washington DC, February 13, 2005