



Promoting Energy Regional Integration

A press release by the CNE, CRE and ERSE

Presidents of the Spanish, French and Portuguese energy regulators met on 30 May 2007 in Paris to bring forward the South-West Electricity and South Gas Regional Markets in the context of the Regional Initiatives¹ by ERGEG².

The ERGEG Regional Initiatives, launched in spring 2006, create 3 gas and 7 electricity regional energy markets in Europe. The Regional Initiatives aim to remove barriers to market integration at a regional level, as an interim step to creating a single competitive European electricity and gas market. The lack of market integration of the national electricity and gas markets was identified by the European Commission as a barrier to a competitive European energy market.

In the context of the South-West Electricity Regional market, regulators of France, Portugal and Spain agreed an action plan with the following priorities:

- I. Interconnections capacity.
- II. Convergence in transparency and information management.
- III. Evolution of the mechanism for congestion management in the France-Spain interconnection in its various implementation phases.
- IV. The compatibility of the rules of the market: timetables of sessions and processes, negotiated products, intra-daily markets, etc.
- V. Analysis of possibilities in order to introduce balance mechanisms through interconnections.
- VI. Analysis of the compatibility of measures to be adopted in safety of supply matters.



Furthermore, this regional integration project will take the benefits from current works under the Portuguese and Spanish MIBEL.

Related to the South Gas regional market, an action plan was already agreed in 2006 and currently CRE, CNE and ERSE are working on interconnections capacity, interoperability and on transparency issues.

On the other hand, cooperation between this initiative and the Portuguese-Spanish MIBGAS was agreed. Particularly, regulators agreed on promoting the creation of a hub in the region.

CNE, CRE and ERSE are closely involved in this work in order to facilitate the developments of MIBEL and MIBGAS fully integrated with the rest of the Internal Energy Market.

(see Notes to Editors on next page)

30 May 2007



Notes to Editors:

1. The ERGEG Regional Initiatives, launched in spring 2006, create 3 gas and 7 electricity regional energy markets in Europe. The Regional Initiatives aim to remove barriers to market integration at a regional level, as an interim step to creating a single competitive European electricity and gas market. The lack of market integration of the national electricity and gas markets was identified in the European Commission's Sector Inquiry as a barrier to a competitive European energy market.
2. The European Regulators Group for Electricity and Gas (ERGEG) was established by the European Commission in 2003 as its advisory group on Internal Energy Market issues. ERGEG is the formal means by which European energy regulators advise the European Commission. The 2006 Annual Report of the European Energy Regulators, covering the activities of both the CEER and ERGEG, is published on the websites of the ERGEG (www.ergreg.org) and of the Council of European Energy Regulators (www.ceer-eu.org).

Press Contact:

CNE: Mr. Pere Lladó; pli@cne.es, +34 91 787 98 69

CRE: Mr. Christophe Feuillet; Christophe.Feuillet@cre.fr, + 33 1 44 50 41 77

ERSE: Mr. Gualter Crisostomo; gcrisostomo@erse.pt, + 35 1 961 539 008