

# European Policy Update

*Operations Forum, 24th February 2010*



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# General Update

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- ◆ **Lisbon Treaty approved in December**

- ◆ *Herman Van Rompuy* chosen as first “permanent” President
- ◆ *Catherine Ashton* chosen as first “permanent” High Rep. for Foreign Affairs

- ◆ **Spain holds 6 month rotating EU presidency from Jan 2010**

Priorities include:

- ◆ A competitive, sustainable, secure energy supply
  - ◆ Grid development – Third Package, Agency (ACER), new TEN-E funding instrument
  - ◆ Infrastructure & interconnection – Strategic Energy Review
  - ◆ Finalise the Security of Supply Regulation
- ◆ Economic crisis
- ◆ Lisbon treaty
- ◆ **26 new commissioners to be officially endorsed by Parliament**
- ◆ Gunther Oettinger, Governor of Baden Wuttenberg, nominated as Energy Commissioner designate

# Expectations for 2010



- ◆ Development of European Network codes



- ◆ Development towards the new European Regulator (*ACER, Slovenia*)



- ◆ UK Transposition of Third Package



- ◆ EU-wide Transparency Guideline

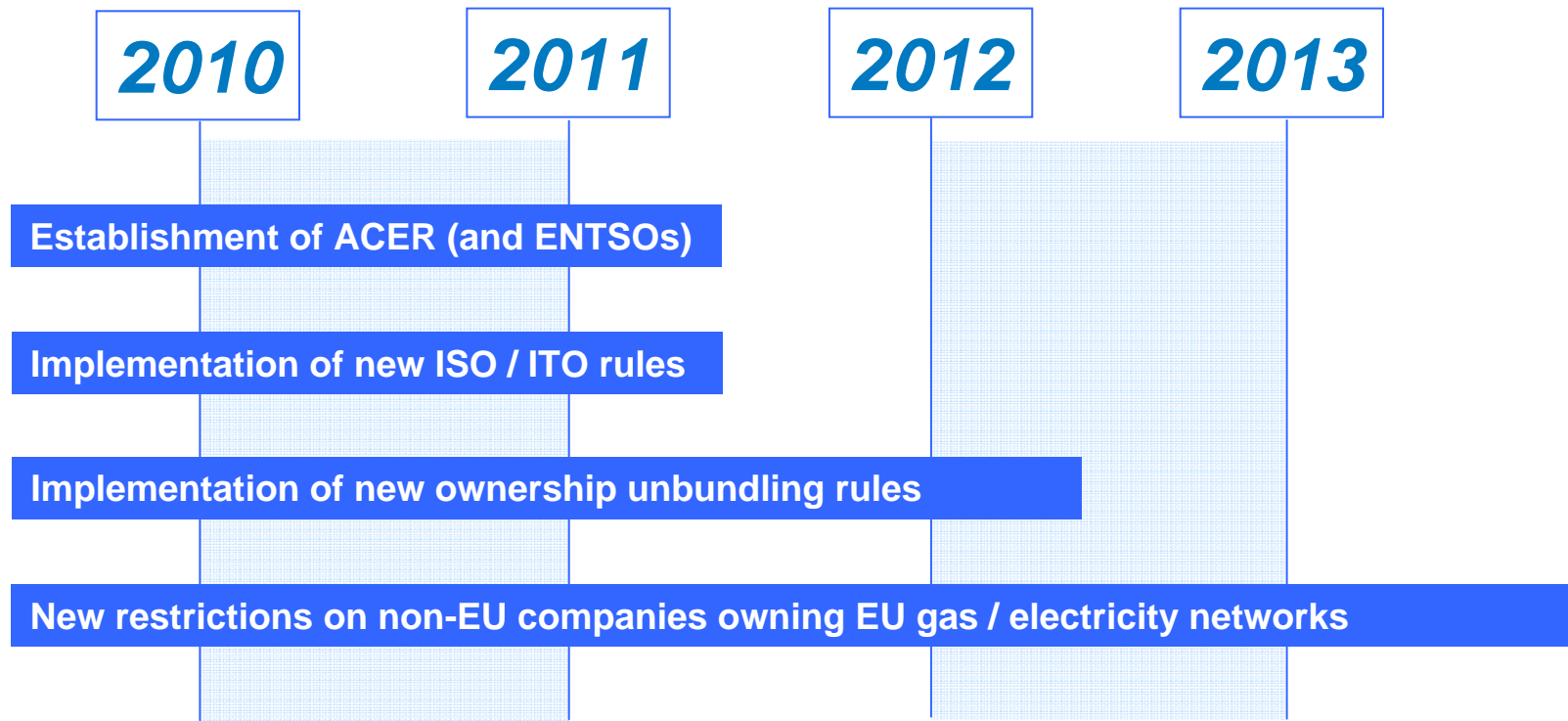
# EC Third Energy Package Update

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- ◆ Requirement now for UK (facilitated by DECC) to transpose the legislation into national law (where not covered already)
  
- ◆ Impacts include:
  - ◆ Introduction of process to develop network codes
    - ◆ Establishment of process and legal requirement to initiate EU-wide code areas
    - ◆ Third package sets formal roles and responsibilities
    - ◆ Introduction of a transparency guideline expected late 2010 / early 2011
  
- ◆ Seven year statement additions
  - ◆ Requirement to develop a Pan-European TYND - hence, requirement is to extend or add a supplementary annex to our current SYS to fulfil the requirements

# Third Package Timescales

- ◆ In terms of timescales:
  - ◆ In general, Member States have 18 months to transpose the directives into national law (from 14 August 2009). However:



# EU-wide Network Codes - Expected process

## *From Framework Guidelines into Network Codes*

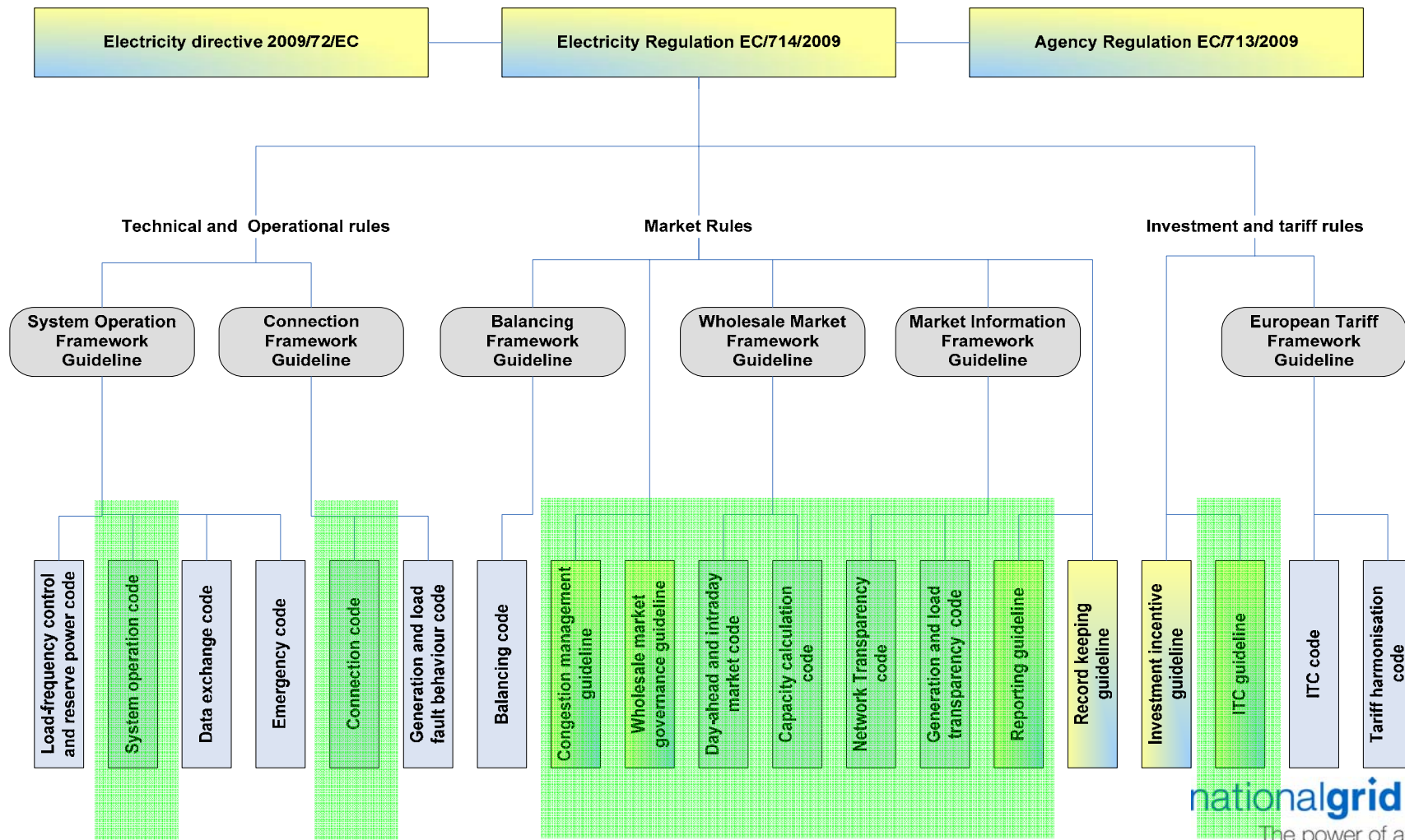
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- ◆ Third Package foresees binding European Network Codes in 12 areas (11 for gas)
- ◆ Preceded by Framework Guidelines (FG), requested by Commission, drawn up by ACER and consulted upon
  - ◆ Once agreed, ENTSO must submit Network Code (NC) aligned to the Framework Guideline within 12 months
  - ◆ Third category, Legally Binding Guidelines
- ◆ Will sit above the Grid Code (as applicable)
- ◆ EC are to prioritise code areas as deemed appropriate
- ◆ Initial code development areas are now underway

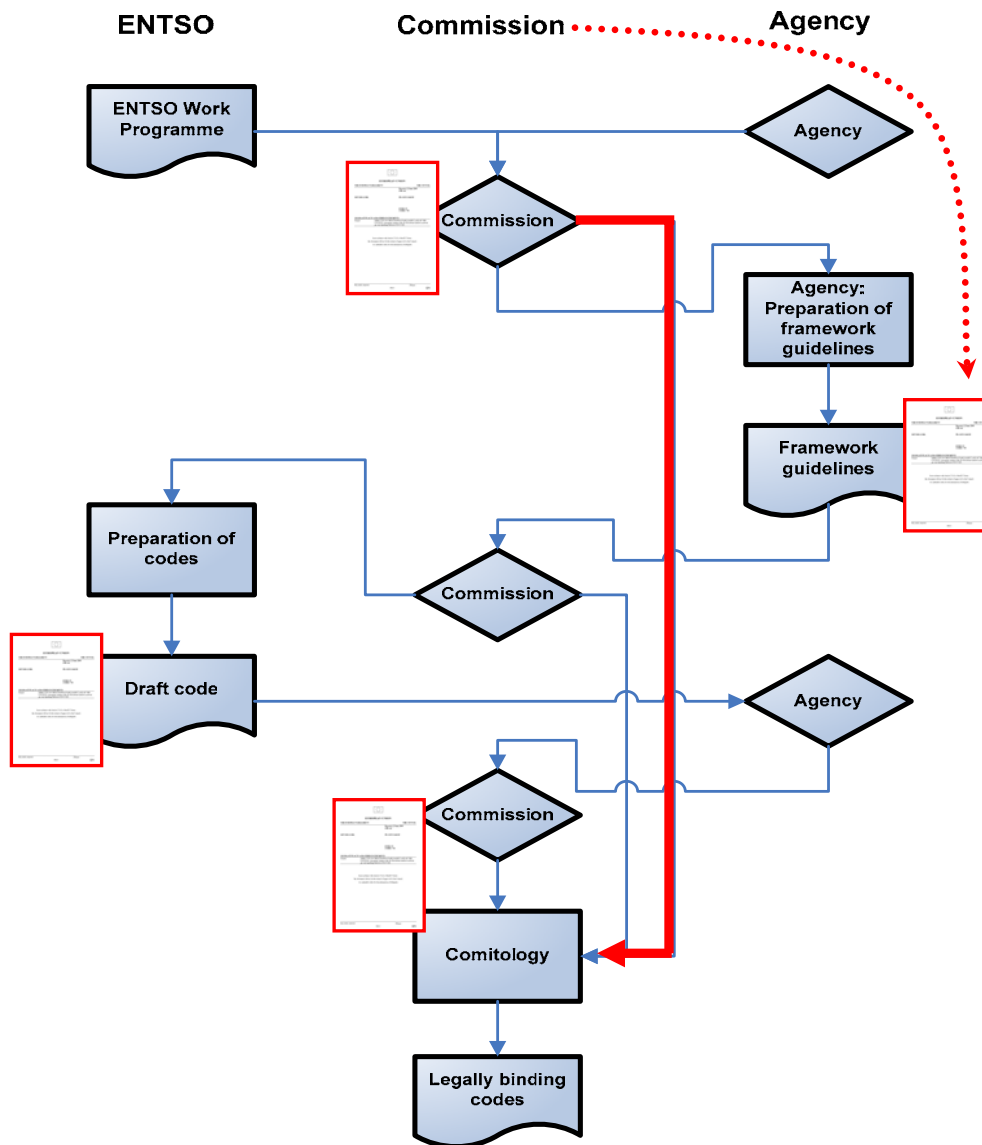
# Architecture of Electricity Guidelines

Based upon Commission explanatory note of August 09

## European Electricity Rules



# Process to Develop Framework Guidelines & Network Codes



- ◆ Commission foresees process to take approx. 18 months start to finish (and will run in parallel)
- ◆ However, initial codes are expected to take less

# Priorities & Future Work

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- ◆ Work is underway to develop the first congestion management guidelines which will transpose into network codes
- ◆ In parallel, transparency guideline development work is now underway
- ◆ Operational security code progression is to be initiated by the EC shortly