



EREG PRESS RELEASE

Electricity Regional Initiative Launched to Accelerate Single European Energy Market

- **EU regulators are fully supportive of the European Commission's efforts to speed up the development of a single energy market**
- **Electricity Regional Initiative launched on 27 February with Gas Initiative to follow within a few months**
- **Initiative designed to identify and remove barriers to competition in 7 EU regions**
- **Overall aim is to speed up progress at regional level on building blocks for a single competitive market in gas and electricity**
- **Call for active involvement from all involved, particularly industry**

A Europe-wide initiative in Electricity launched today (27 February) by European energy regulators will identify – and seek to remove – barriers which may be hindering the growth of competitive electricity markets. Consultation on a similar initiative for gas has just closed and it is expected that a final agreement on the approach for that sector will be launched around May 2006.

The European Regulator's Group for Electricity and Gas (EREG) have unveiled 7 electricity Regional Energy Market projects. Each will bring together regulators, companies, Member States, the European Commission and other interested parties and will have similar aims with the other six but reflect the very different concerns and level of progress so far achieved in each region. An overall monitoring process will ensure that progress towards a single energy market is not hampered by the regional initiatives.

Chairman of EREG, Sir John Mogg said: "We are currently seeing major strategic policy from the Commission and the Council designed to deliver a competitive liberalised single European market across an integrated European grid. Our Electricity Regional Initiative is entirely consistent with this and will help by making progress at a practical level in the seven



European electricity regional markets that are targeted. This will bring real benefits to consumers as we progress towards a more integrated EU single energy market. Following extensive consultation with stakeholders, each of the seven Regional Energy Market projects will identify any barriers that prevent the development of competitive energy markets and find ways of overcoming them. We want each and every stakeholder to take an active part in the process.

The Initiative announced today (27 February) will get underway in each region during March and April. The first progress report will be presented to the Florence forum in Autumn 2006.

27 February 2006

Ends

Notes to Editors:

- 1.** The Electricity Regional Initiative comprises 7 regional energy market projects set up to tackle, in a practical way, many of the problems highlighted in the European Commission's benchmarking report and the preliminary findings of the Commission's inquiry into the gas and electricity sectors.
- 2.** The national regulator at the centre of each project will chair a co-ordination committee of regulators from the Member States involved. This committee will define the geographic scope, direct working groups (made up of regulators, transmission system operators (TSOs), and network users) and will consult stakeholders. The co-ordination committee will also consider how best to involve Member State Governments and the European Commission.



3. Each co-ordination committee will also prepare regular progress reports to ERGEG, and ERGEG will provide updates to the European Commission and progress reports at meetings of the Florence Forum.

4. Timetable

March–April 2006	finalise membership establish ways of working and governance identify priorities, based on ERGEG's <i>Roadmap</i> papers
May–June 2006	publish detailed timetable, establish stakeholder participation begin collection of views, other relevant information
Autumn 2006	ERGEG publishes first progress report concerning the 7 projects consultation at Florence forum
2007 on	Carry out work established in the timetable

5. Seven electricity Regional Energy Market projects will be pursued:

Region	Countries	Lead Regulator
Central-West	Belgium, France, Germany, Luxembourg, Netherlands	Belgium
Northern	Denmark, Finland, Germany, Norway, Poland, Sweden	Denmark
UK and Ireland	France, Republic of Ireland, UK	Great Britain
Central-South	Austria, France, Germany, Greece, Italy, Slovenia	Italy
South-West	France, Portugal, Spain	Spain
Central-East	Austria, Czech Republic, Germany, Hungary, Poland, Slovakia, Slovenia	Austria
Baltic	Estonia, Latvia, Lithuania	Latvia



6. The European Regulators' Group for Electricity and Gas (EREG) acts as an advisory group to the European Commission. Membership is limited to the EU energy regulators, and regulators from the candidate countries and the European Economic Area hold Observer status.

7. EREG's *Roadmap* papers (*Creation of regional electricity markets*, Consultation Paper of June 2005 and *Conclusions Paper* of February 2006) set out EREG's views – see www.ereg.org. The *Conclusions* paper will be an important input to the Electricity Regional Initiative.

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