



MARKET PARTIES PLATFORM

Linking Energy Markets

Pentalateral Forum: Developments from a market perspective

Future Challenges for Electricity Security Workshop

1 October 2013

Ruud Otter

Chairman Market Parties Platform / Manager Market Affairs
Energie-Nederland

Introduction of the MPP

- MPP started in 2006 as cooperation of the CWE energy associations
 - Current members: BDEW, Energie-Nederland, FEBEG, Österreichs Energie, OEEL, UFE
- Strong link with the Eurelectric work
- Market speaks with one voice in regional market integration
 - Pentalateral Forum
 - Regional initiative
 - Market integration Initiatives around CWE
- Market integration is essential for market parties

Market input to the PLEF process

- MPP was admitted to the PLEF discussions/project if it could speak with one voice
- Still market integration is primarily a process of regulators and TSOs/PXs
- Focus of the PLEF has been Flow Based day ahead market coupling
- MPP input has been constructive and pragmatic
 - Market should be able to cope with the changes
 - Market confidence is essential
 - Market integration is much more than only day ahead coupling

The importance of political involvement

- The technical solutions are the easy part of market coupling
- The difficult issues are:
 - Acceptance to change national practices
 - Acceptance to view issues from a regional perspective
 - Cooperation versus competition
 - Cost sharing
- Political will for regional optimisation is essential to keep pressure on the process

Interaction with EU implementation / Legislation

- The third package provides the preconditions for equal access, but not necessarily the building blocks for an integrated market
- The development of the network codes show that it is difficult to cooperate, make real choices and accept change
- The success of the internal energy market will depend on regional initiatives leading the way

The next challenges

- Market coupling is relatively easy
- Next steps will require more adjustment of energy policy
- Common vision and political will is essential for these next steps of market integration
- The difficult issues:
 - Short term market: cross border intra-day and balancing
 - Bringing RES in the market
 - Assessment of generation adequacy / CRMs
 - Network investments and tariffs
 - Removing distortions in the market



MARKET PARTIES PLATFORM

Linking Energy Markets

Thank you for your attention