



GEODE COMMENTS ON ERGEG PUBLIC CONSULTATION ON REGULATION (EC) 1228/2003 COMPLIANCE MONITORING. SECOND REPORT, 2008

GEODE, the European association representing the interest of energy distribution companies welcomes **ERGEG Compliance Monitoring Report on Electricity regulation 1228/2003 and the Congestion Management (CM) Guidelines**, which constitutes a consistent analysis of the compliance by Member States and TSO's with the legal obligations arising from the regulation and guidelines. **GEODE** recognises progress since the First compliance report, with special consideration to the improvements achieved by ERGEG Regional Initiatives.

GEODE regrets that the Regulation and the CM Guidelines have not yet been fully implemented and, therefore **GEODE** agrees with ERGEG that Regulators should put in place concrete measures to speed-up the implementation process of CM Guidelines.

At the same time **GEODE** considers that a number of improvements in relation to transparency have to be done. Then **GEODE** considers of vital importance as proposed by ERGEG to implement legally binding and detailed provisions on information management and transparency., especially in publishing relevant information on forecast demand and generation and the ex-post realised values for the forecasted information. Transparency is one of the most important features for the liberalisation process. A transparent market should provide all market participants with necessary data equally. A right level of information transparency will benefit transactions, contributing to create a single European energy market.

GEODE agrees with ERGEG that there are regulatory issues that have to be harmonised as:

- regulators powers in dispute settlement
- responsibilities of each authority in each country for cross border trading
- NRA responsible for evaluation of the efficiency of the usage of cross-border capacity and not TSOs

To achieve it, Member States should put in place the legal framework to create an efficient cross-border trade with electricity and support implementation of CM Guidelines.

Regarding Congestion Management, **GEODE** agrees that there is insufficient or non-existent use of cross-border countertrading and redispatching to increase or secure the transmission capacity. Redispatching or counter trading are not yet fully developed at a level which is sufficient for a day-to-day operation. **GEODE** suggests the introduction of redispatching mechanisms to manage the lack of capacity in the interconnectors. This mechanism is an incentive to TSO's to avoid congestions. In that respect, coordination between involved parties has to be enhanced.



Finally **GEODE** supports ERGEG's proposal to introduce amendments to the Regulation and the Congestion Management Guidelines to improve clarity and to remove interpretation ambiguities

Barcelona, 12th November 2008