

DAILY NEWS to Members: 11/07/2008 by Mihai Paun

ENTSO-E: ELECTRICITY TSOs SET UP NEW ASSOCIATION TO STRENGTHEN COOPERATION IN LINE WITH PROPOSED NEW EU LEGISLATION

The CEOs of 36 European transmission system operator (TSO) companies from 31 countries signed on 27 June in Prague a Declaration of Intent to create a new TSO association. Statutes for the new body, to be called the *European Network of Transmission System Operators for Electricity* (ENTSO-E) are to be drawn up before end-2008 with a view to its becoming operational by summer 2009 in line with the principles set out in the still-to-be-adopted *third EU energy liberalisation package*.

A press release from current TSO body ETSO on 31 June describes the move as a “*proactive step*” ahead of the adoption of the EU energy market package on the table. ETSO claims ENTSO-E will boost TSO cooperation in a number of key areas, such as development of both technical and market-related network codes and the coordination of system operation and grid development, with the aim of “*enhancing the integration of the European electricity market, contributing to a sustainable energy environment and ensuring secure and reliable operation of the European power transmission system.*” By reacting proactively, TSOs hope to be in a better position when Council and Parliament begin their second reading of the legislative proposals on the electricity market in the autumn.

“*Binding TSO membership in ENTSO-E, as proposed by the European Commission is one key to success for the new body and will accelerate the development of common codes contributing to reliable and efficient pan-European and regional electricity markets,*” says the ETSO note. ENTSO-E will work with “*a clear mandate*” in line with market expectations and in consultation with national Regulators and the Commission. “*This new environment will enable TSOs to focus on transparent objectives and to speak with ‘one TSO voice’ on the issues concerning the internal electricity market,*” says ETSO.

The CEOs signing the Declaration of Intent agreed to ask the Presidents of the current TSO associations - ETSO, plus the Union for the Co-ordination of Transmission of Electricity (UCTE), Nordel, the UK TSOA, the Baltic states’ BALTSO and all-Ireland association ATSOI - to undertake the necessary procedures to transfer their activities to ENTSO-E and wind up their associations as soon as this transfer has been accomplished. Existing associations would then cease operations.

A recently published report* from UCTE - *First UCTE Transmission Development Plan* - says that the TSO should allocate a total investment of some €17,000 million in the coming five years for the development of interconnections and the main internal transmission grids.