

As Europe heads towards more integrated wholesale markets, and in order to both integrate an ever increasing share of renewables into the wholesale power market and to reach a fully integrated Internal Energy Market (IEM), regional cooperation is fundamental.

While we recognise the progress made in terms of regional governance (e.g. due to Regional Security Coordinators (RSCs) and the implementation of the Network Codes and Guidelines), most of the tasks related to network access are still given to national actors. Moreover, TSOs have liabilities defined at national level. Thus, the existing framework does not guarantee the optimisation of social welfare at regional and European level. We strongly believe that coherent and consistent regional governance for Member States and NRAs is needed and that we should enhance the current framework.

At the same time, regional cooperation should not negatively impact the progress of existing processes that are created to establish the internal power market and to implement the EU network codes in particular. Existing and efficient European fora such as the Market European Stakeholder Committee (MESC), the System Operation European Stakeholder Committee (SO ESC), the Balancing Stakeholder Group already bring TSOs, regulators and market participants together. And the Florence Forum (as well as the Madrid or Gas Forum and the Dublin or Citizens' Energy Forum) also encompasses representatives from the Member States. These fora should be used and can also tackle regional topics. The ToR of the MESC for example, explicitly mention the regional level:

“The main objectives of the ESCs are: 1. To contribute to monitoring progress in the NCs implementation process – as well as the operation and functioning of the processes and arrangements established according to the NCs – at local, regional and pan-European level as an overarching structure of all network codes; ...”

Conclusion:

As European stakeholders and in order to foster European cooperation and efficiency through a single internal power market, we encourage dealing with these topics at European level.

We advise that, **before creating new entities or platforms, all the potential of the existing platforms should be exhausted and if necessary, it should be investigated how to improve these platforms.** Cooperation at regional level can be of added value if existing European platforms and processes are clearly not suited to solve the issues at hand.

Finally, if new entities or platforms for regional cooperation are deemed to be necessary then due care should be given to proper and direct involvement of market participants.