

ČEPS position document:

ENTSO-E, the European Network of Transmission System Operators for Electricity, in the context of the 3rd Energy Package and the role of ČEPS

ENTSO-E was established at the instigation of the European Commission (EC) by the publication in the autumn of 2007 of a draft of the so-called 3rd Energy Package which defined the establishment process, responsibilities and obligations of a new association of European Transmission System Operators (TSOs). Following a period of intensive preparation, during which ČEPS was one of the most active members, representatives of 34 countries officially established, on 10 December 2008 in Brussels, an association called the “European Network of Transmission System Operators for Electricity” (ENTSO-E). The Association was later transformed so as to be compatible with Regulation No. 714/2009 EC effective from 3 March 2011. ENTSO-E currently comprises 41 TSOs which serve more than half a billion people throughout Europe. ENTSO-E’s key mission is to ensure the safe operation of the various interconnected power systems, the integration of renewable energy sources and a well-functioning European internal electricity market (IEM).

ENTSO-E activities

ENTSO-E is governed by the General Assembly of members which meets several times a year. In the periods between meetings the Association’s activities are coordinated by the ENTSO-E Board.

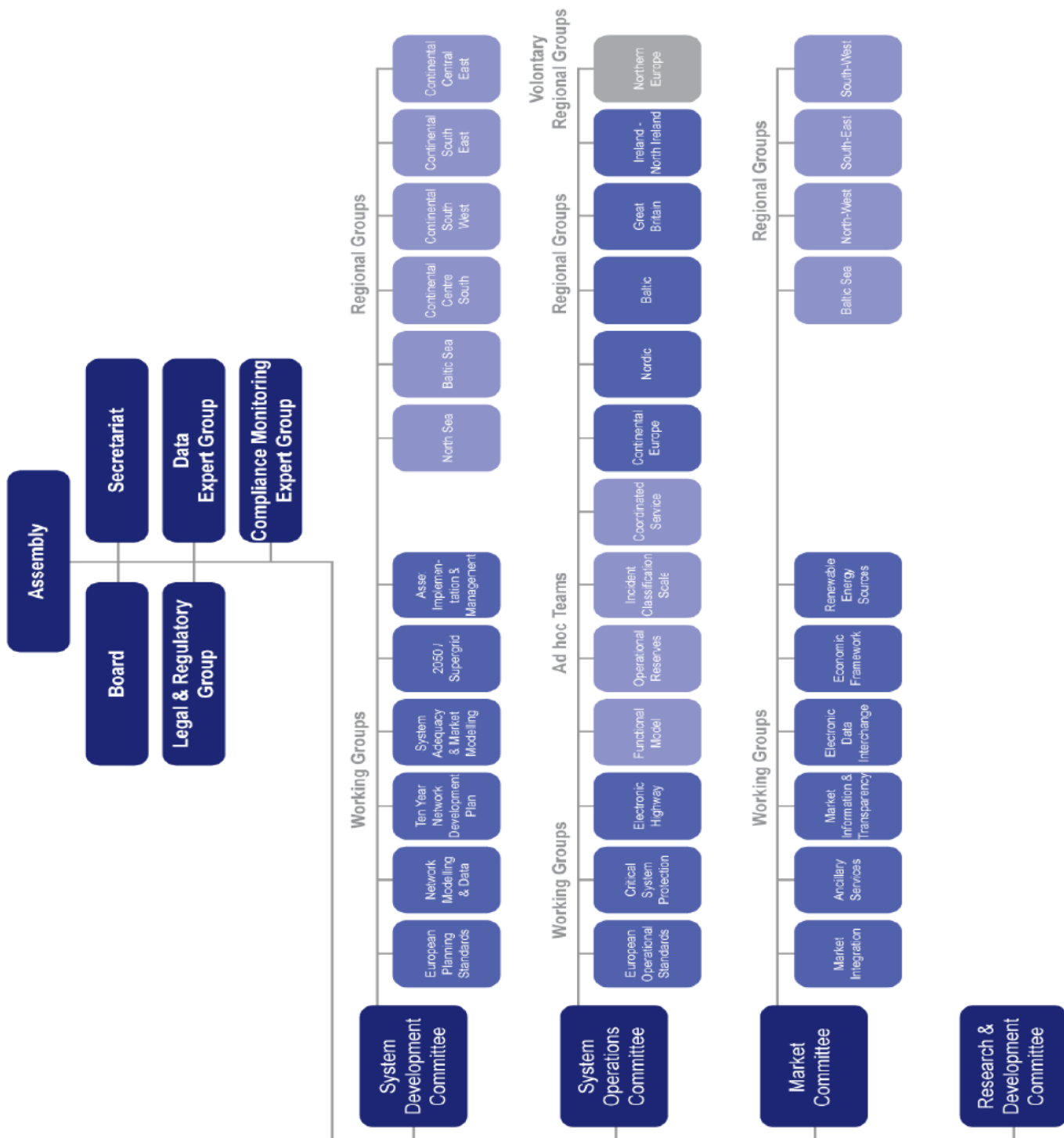
The structure of ENTSO-E includes five committees (the System Development Committee, the System Operations Committee, the Market Committee, the Legal and Regulatory Group and the Research & Development Committee); each of them comprises various working groups which tackle relevant pan-European issues. A number of regional sub-groups are concerned with TSO issues related to synchronous zones and network development in defined geographical areas. The Secretariat has an important role; in addition to its administrative function, it plays the role of “facilitator” for the positions of ENTSO-E decision-making and working bodies in terms of ensuring that the principle of a “unified European TSO voice” is met with regard to as many of the issues addressed as possible.

ENTSO-E is the successor organisation to the UCTE and ETSO and tackles the whole range of practical and conceptual issues concerning network operation and development and electricity trading as well as the relevant legal aspects which allow the existence of reliably functioning interconnected systems and serve the needs of network users and electricity market participants.

ČEPS participation in ENTSO-E management and working groups

The membership of ENTSO-E’s Board includes a ČEPS top management representative; this is important since ČEPS is able to influence decision-making at the highest level. ČEPS also has a representative on all ENTSO-E Committees and in those working groups which are important for

ENTSO-E organizational structure



the Company. A ČEPS representative is Chairman of the System Development WG for the CEE region.

ENTSO-E mandatory activities under Regulation No. 714/2009 EC

Preparation of:

- a target model for a market integration project which should lead to a truly integrated European internal electricity market (IEM);
- network codes according to guidelines defined by ACER, the European Agency for Cooperation of Energy Regulators; after being subjected to the comitology process, the codes will become legally binding;
- TYNDP, the European Ten Year Network Development Plan and reports on the adequacy of generating capacity and network infrastructure;
- outlook of power system preparedness for the upcoming summer/winter period.

The ENTSO-E work programme for 2011 also includes the following:

- design of a coherent all-European research and development (R&D) plan;
- TSO economic environment: economic incentives for network development and operation, the harmonisation of tariffs, and ITC.

The optimum harmonisation of activities at the bilateral – regional – synchronous zone – EU – pan-European level so as to avoid duplication and ensure synergy represents an ongoing challenge for both ČEPS and the TSO association.

Since ENTSO-E's establishment in compliance with Regulation No. 714/2009 EC, the Association has fulfilled all its mandatory responsibilities in cooperation with the European Agency for Cooperation of Energy Regulators (ACER) and the European Commission. ČEPS's involvement in the preparation of ENTSO-E strategic draft documents, particularly network codes and the Ten Year Network Development Plan as well as the creation of a market environment is seen generally as very important.

ENTSO-E activities primarily affect ČEPS's economic position and the management of the Czech transmission system and its further development. In all these respects, ČEPS's active involvement in ENTSO-E and representation in the management bodies of both the existing Association and its future structure to be established in compliance with the 3rd Energy Package is of paramount importance for the Company and for its position at the international level.