



S M A R T **G** R I D S

Harmonizing regulatory and commercial frameworks

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Cross border trading

q **Power**

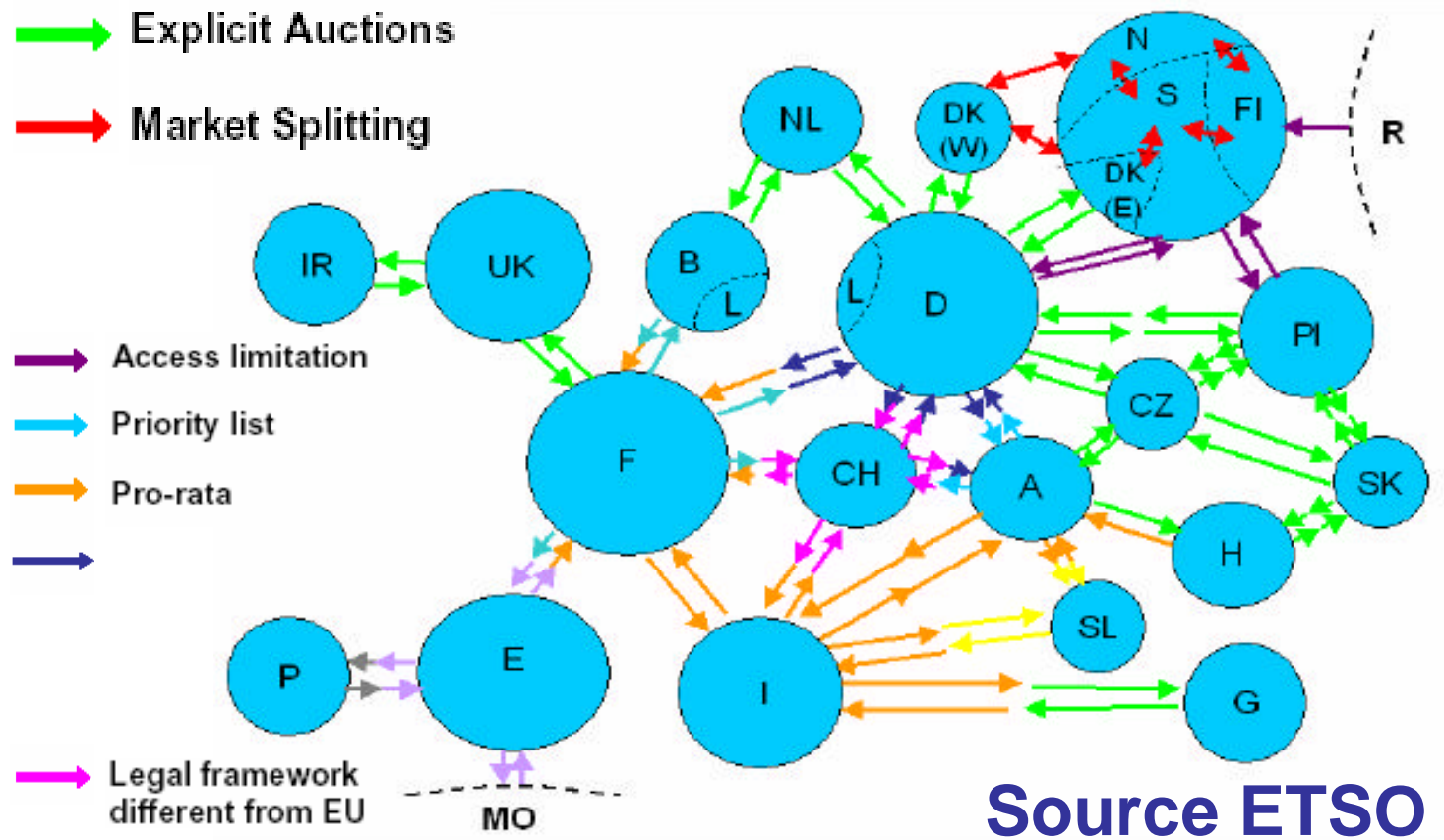
q **Grid services**



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Cross-border Capacity Allocation state of affair 2003

q Market based mechanisms required July 2004

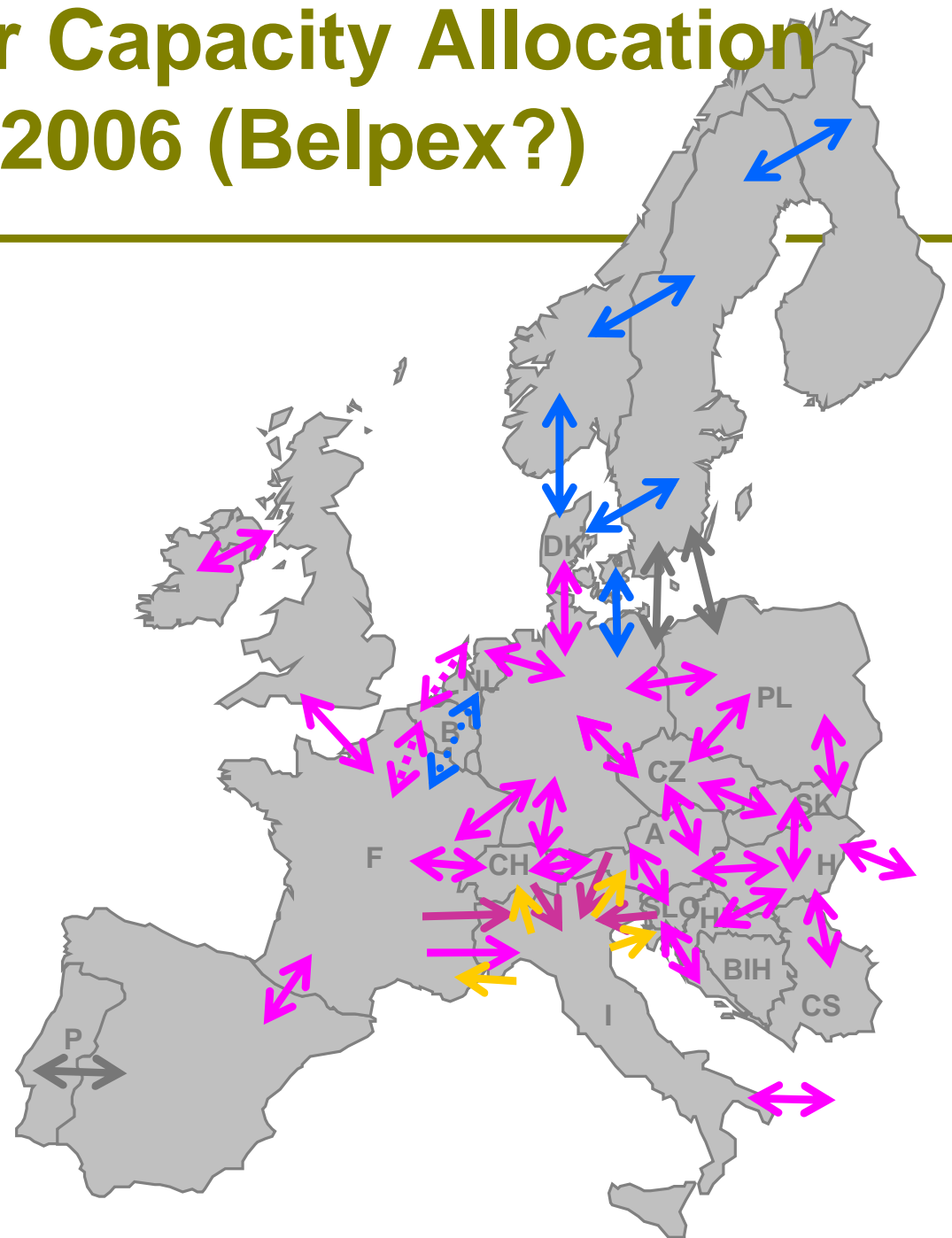




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Cross-border Capacity Allocation end of 2006 (Belpex?)

1. Explicit auction
2. Implicit auction
3. Pro-Rata Allocation
4. Other





Power situation

q Limited coordination

- In calculation available capacity
- In allocation

q No secondary markets

q No intra-day cross border trade

- Only in Scandinavian countries



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Grid services situation

q **No coordination between control zones**

- Different standardization of services
- Different settlement periods
- Overloading during n-1 contingency
- Ramping rates on DC links

q **Some exceptions**

- UCTE: primary frequency control
- Nordel: swapping of balancing services

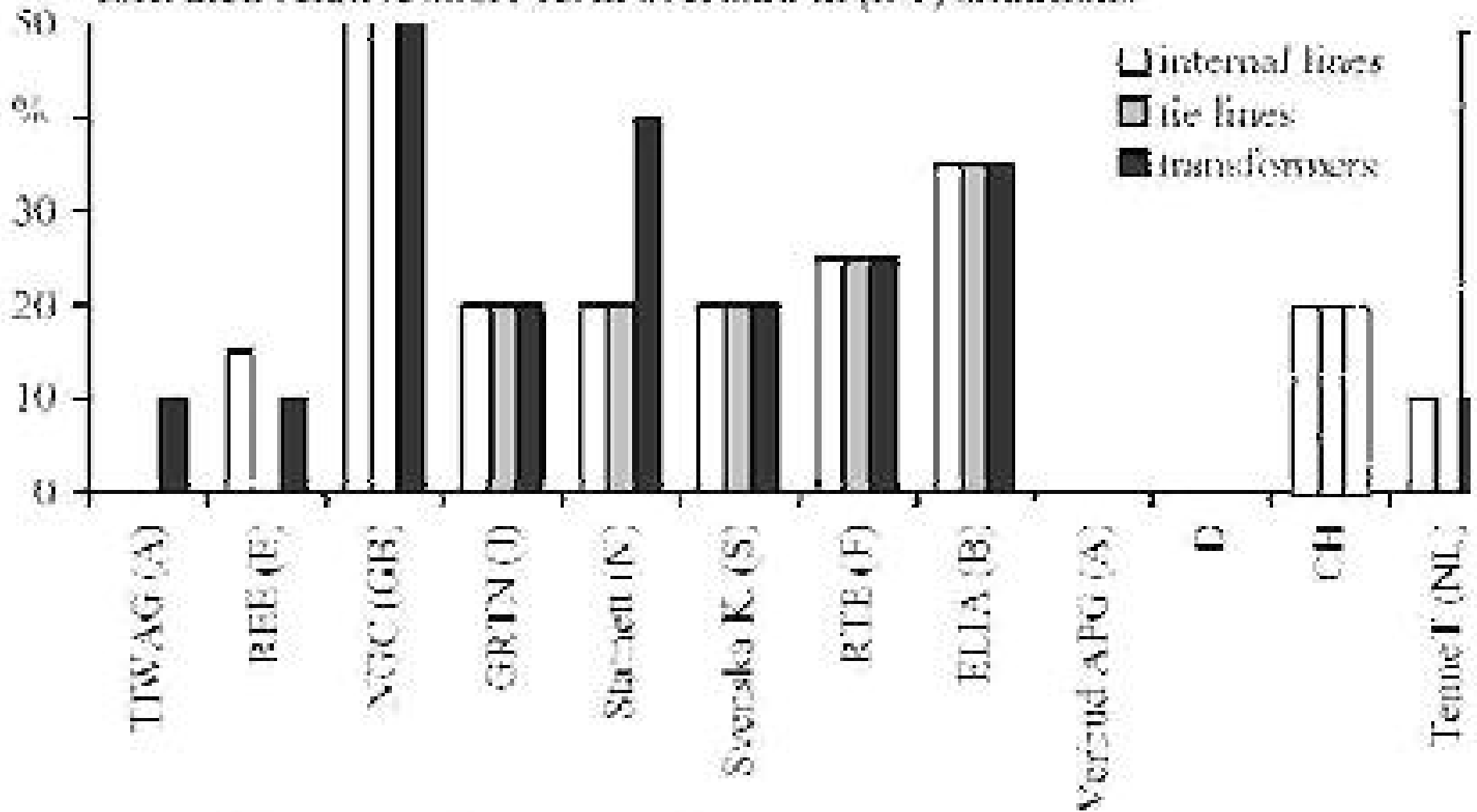


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Overloading

During n-1 contingency

tolerated relative short-term overload in (n-1) situations





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Reality show regulation

Scope Regulatory practice	Narrow scope (monopoly regulation)	Broad scope (also competition regulation, consumer complaints, wider energy policy)
« Hands-on » Regulators decide network and supply tariffs	European regulator?	
« Light » Monitoring and ex post intervention		
« Ex ante » incentive regulation		



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Thank you for your attention!

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