

EC Opens Gates To Energy Competition

The European Commission has announced a third package of legislation to introduce competition in continental markets. The news has been warmly welcomed by the UK gas and electricity regulator Ofgem. “From a British perspective today’s proposal is a significant step forward on the road towards making a competitive energy market a reality for all European consumers. Unbundling transmission networks from continental energy suppliers will help create effective competition which will put a downward pressure on energy prices,” Ofgem chair Sir John Mogg says. He adds that “what is now needed is the political will from all Member states and the European Parliament to put the interest of consumers first and ensure that the unbundling of transmission assets of the large energy companies takes place as set in the Commission’s proposals”. Of particular merit is the importance the Commission placed on ensuring that all European countries have strong independent national regulators, Ofgem says. “It is no accident that the countries who have made the most progress in creating competitive energy markets have benefited from strong independent regulation.” The Commission’s proposal to establish an EUwide regulatory agency was welcomed, although Ofgem cautioned that this needs to be strengthened to the maximum extent. Ofgem has also been seeking greater information on the gas and electricity markets in Europe because lack of transparency on the availability of continental gas suppliers creates uncertainty about gas imports to Britain and therefore increases prices. “As information is the lifeblood of any market, competition will only become a reality in Europe when real-time information is made available across the continent,” says Ofgem chief executive Alistair Buchanan.

[Source essa news]