

**Interview** Philippe de Ladoucette

# French regulator favours gradual approach

*The European Commission intends to create a European energy regulators' agency. 'A real step forward', says Philippe de Ladoucette, chairman of the French Energy Regulation Commission (CRE). EER interviewed the ex-aide of industry minister Alain Madelin and ex-ceo of coal group Charbonnages.*

| by Yves de Saint Jacob

**Are you satisfied with the cooperation between European energy regulatory bodies and what progress would you like to see in the coming year?**

Setting up an agency for cooperation between energy regulators, as laid down in the third energy directive, is likely to resolve all cross-border problems. It would be a real step forward: on the condition, of course, that it is given real powers in setting out commercial codes of practice.

**What would be the two or three measures that would, in the coming months, give a boost to regional initiatives (that is, between neighbouring regions in Europe) for electricity and gas?**

Regional initiatives are a gradual approach to the construction of an internal European energy market. They enable regional markets to develop on a European scale, by better management of the interconnections.

For electricity, I would point out the extension of the coupling of the day-ahead markets in Belgium, France and the Netherlands to include Germany and Luxembourg, which should happen in 2009. For long-term commitments in this same region of West Central Europe, an operator would currently have to pass through three different agencies when buying or selling electricity in two different markets. But thanks to the work of regional initiatives, we will soon see a single platform for this sort of operation. Finally, the CRE and the British regulatory body Ofgem, signed an agreement in April 2008 on the exchange of adjustment resources between the British network manager, the National Grid, and the French RTE, which will come into force in the summer of 2009.

For gas, the increase in capacity in the interconnections between France and Spain should come into effect this autumn. That will help stimulate the flow of gas between the two countries. I would also highlight improved conditions of access for new suppliers joining the upstream transit network in Belgium and Germany.

**Is it important to bring energy mixes from different European countries into line in order to build a single energy market? How do you reconcile the disparities between the "nuclear" nations (Britain and France) and the "renewable" countries (Germany and the Nordic countries)?**

It is true to say that, in the construction of a single energy market, we cannot entirely ignore the question of the disparity in energy mixes between member states. Moving towards a greater convergence would in effect make the application of market forces easier. From this point of view, the aim of having 20% of energy from renewable sources in the mix is both a means of combating the effects of climate change and, in part, an answer to that question. So, by means of its competence in environmental matters, Europe is developing a form of energy policy that will lead to a homogenisation of national energy mixes.

On a broader scale, reconciling disparate national mixes, which will remain disparate in the short to medium term, can only be done through the increased interconnections between member states. For example, developing wind power necessarily increases the need for an interconnection. This is because the intermittent character of the production leads to significant surpluses or shortages in certain areas or countries, depending on whether the wind blows or not. ■