

Articulation between the different levels of deregulation and success or collapse of the reforms in the electricity sector

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The aim of this paper is to describe and give an analysis of the connections that may be done between the articulation of the different levels of deregulation -global, regional and national- and the success or collapse of the recent reforms in the electricity sector.

Most of the countries have just experienced or have been experiencing a great change in their electricity sector and market deregulation often represents a key point of these reforms.

Deregulation and opening of the national markets usually go hand in hand in order to bring a unique regional market to a successful conclusion.

The European example represents a good illustration of this new movement: deregulation in each member State national market is the fruit of the European will to build an unique energy market in Europe in the hope of increasing global efficiency. Coordination between network operators, regulators, governments and harmonization at the European level are under construction.

Whether the impulse comes from the national level or from the regional level, the articulation between each rule, each institution, each market and each network becomes ineluctably a very challenging target.

Indeed, the articulation and almost the compatibility between the new systems has got an impact on very important questions: liquidity of the market, security and reliability of the networks, security of supply, real opening of the market for consumers, suppliers and producers.

A critical review of the recent experiences of reforms should give us the opportunity to compare and contrast the organization of the articulation between national and regional levels. Then we would like to study what could be the relevant level of regulation and the best tools for an optimal articulation leading to the best electricity reform.

We would like to contribute to this essential debate: are the national reforms able to give efficient incentives to an accurate level of harmonization for the construction and stabilization of regional markets? Otherwise, is it necessary for reformers to interfere, and at which level, to give the good signals and the best orientation for the implementation of an efficient market?