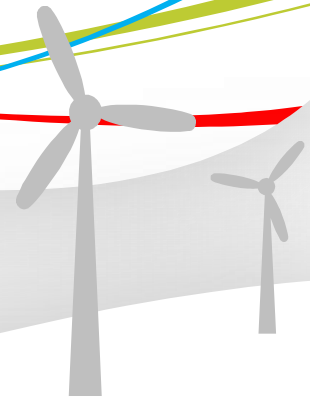




RED
ELÉCTRICA
DE ESPAÑA



European regulatory support of desert power: a TSO perspective

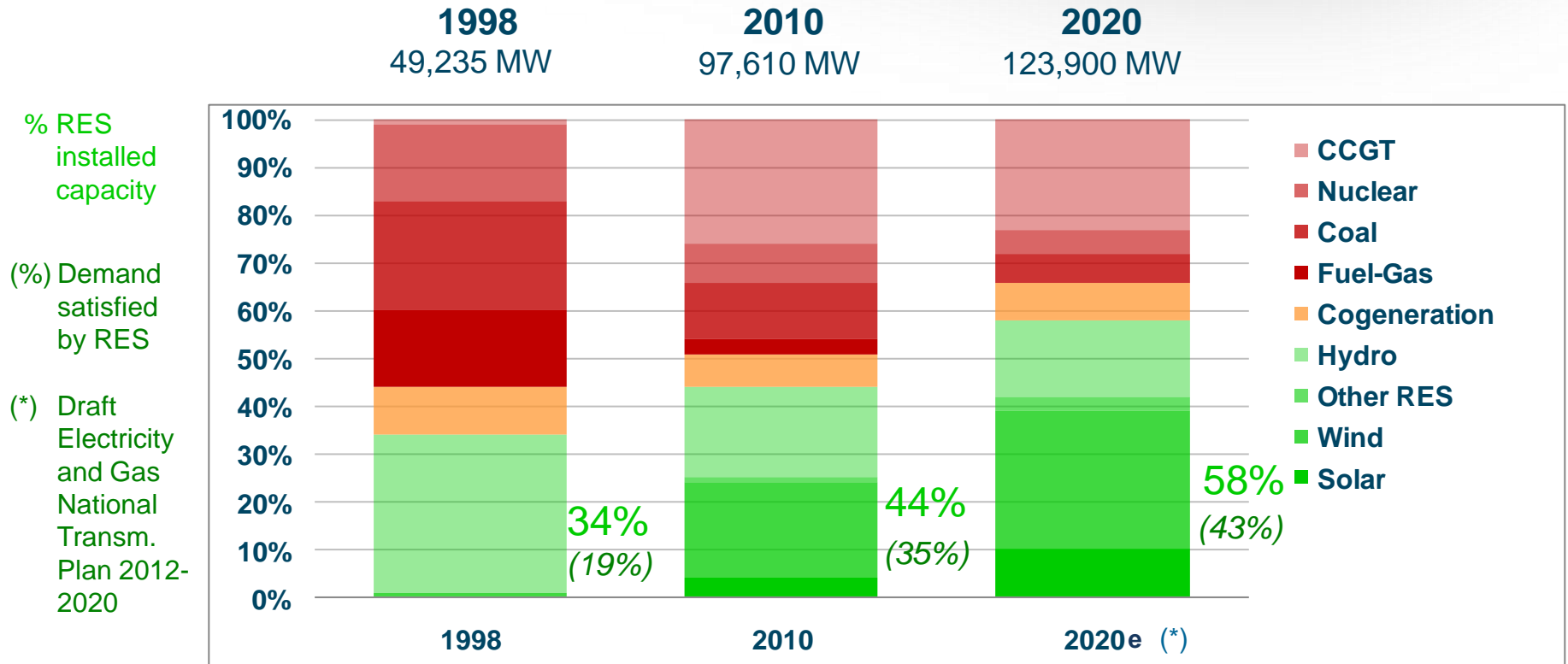
José Luis Mata

Dii Desert Energy Conference

3rd November 2011

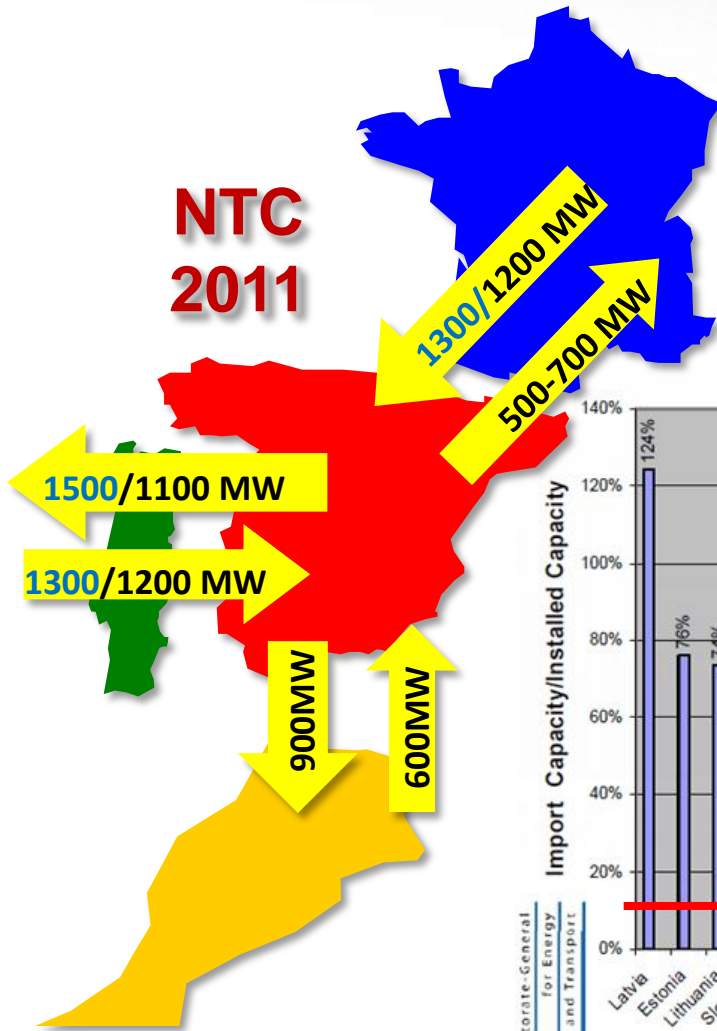
The Spanish Power System

Installed capacity (Peninsula)



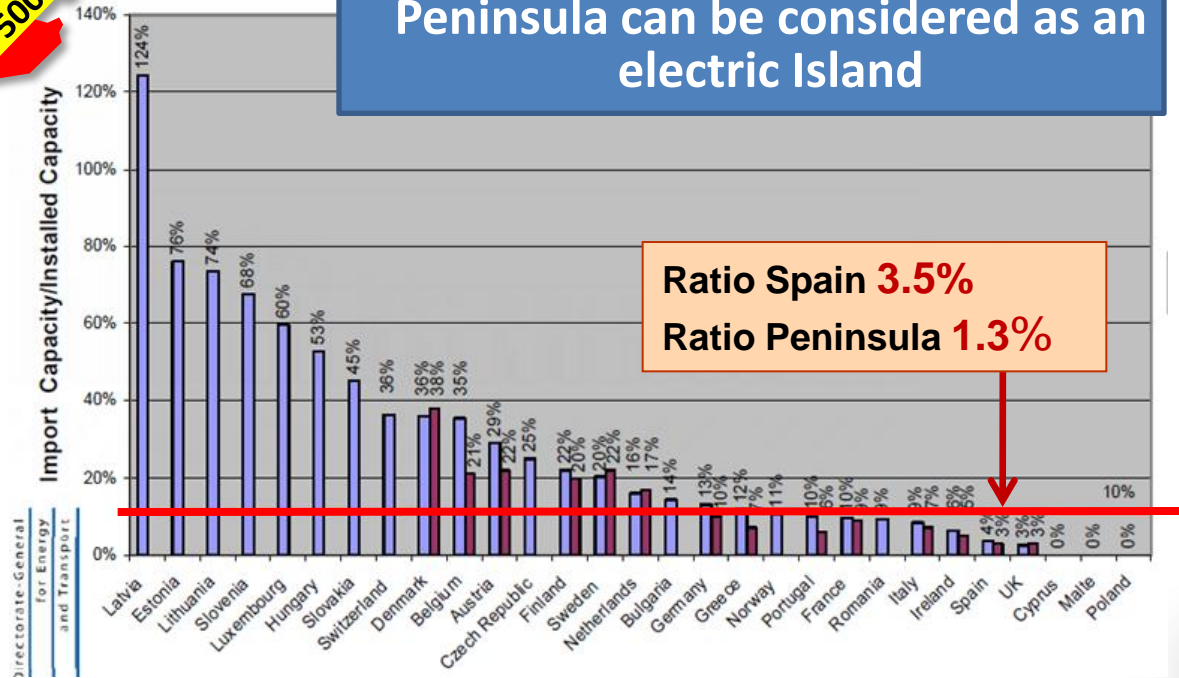
The generation mix is characterized by a high share of renewable energies, which will increase in the next decade

Spanish interconnection capacity



Spain is the unique option to import electricity from MENA in the EU...

... but Spain and the Iberian Peninsula can be considered as an electric Island



The Spain-Morocco interconnection



Bilateral Transactions

Selection of bilateral contracts on the basis of explicit capacity bids

Transactions at the organized market (OMIE)

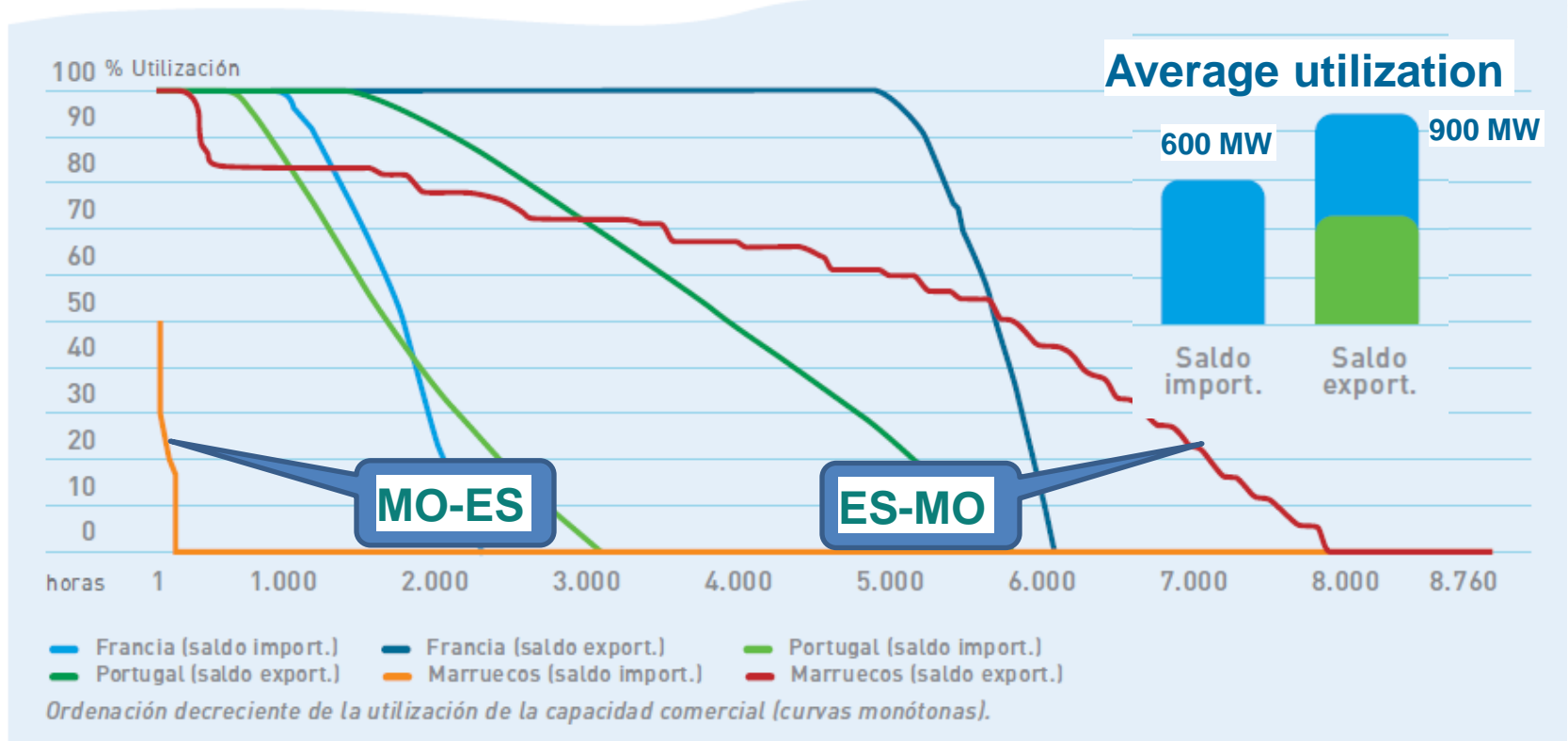
Selection on the basis of energy bids:

- Export congestions (ES-MO): lowest-price bids removed
- Import congestions (MO-ES): highest-price bids removed

The Spanish regulatory framework provides a mechanism for the use of the ES-MO interconnection in both directions

The Spain-Morocco interconnection

Use of the available commercial capacity



There is room for a higher use of the existing Spain-Morocco interconnection

Key regulatory issues: Article 9 implementation

Conflict of interest

- Nominated 'Art.9' cross-border schedules.
- Priority of EU-located RES energies.

Firmness of nominated cross- border schedules

- Safety must be assured.
- TSO to apply countermeasures to guarantee firmness of exchange programs.

Need for accounting criteria

- Need to define a transparent, objective and non-discriminatory method.
- Role of transit countries.



Key regulatory issues: Grid development

Stable remuneration model for transmission

- High volume of investments
- New technologies
- Uncertain scenarios

Ex-ante cost allocation model for new transmission infrastructures

- Need for certainty of market players
- Beneficiaries spread along EU/NA
- Impact on non-beneficiaries

Cost allocation of extra energy-costs

- Need for certainty of market players
- Beneficiaries spread along EU/NA
- Impact on non-beneficiaries



Thanks for your attention!

Merci de votre attention!

