

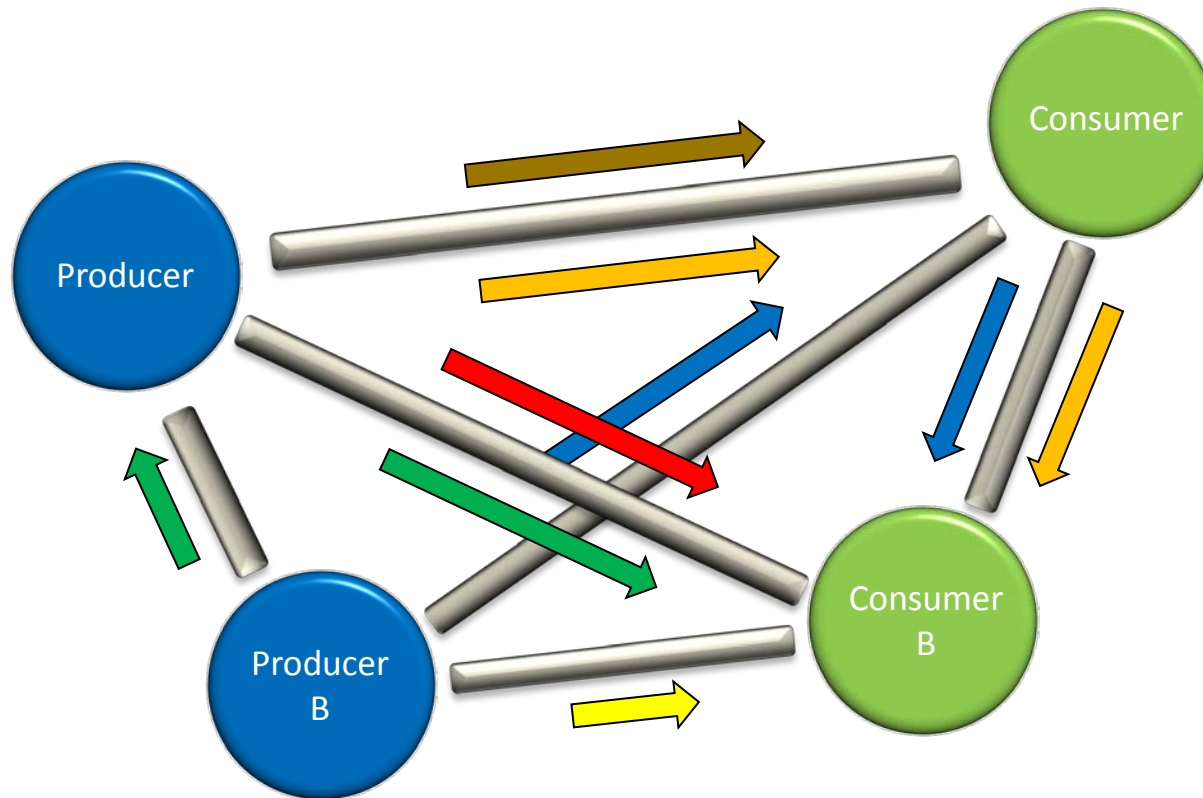
# **Any market mark in the EU? An academic perspective**

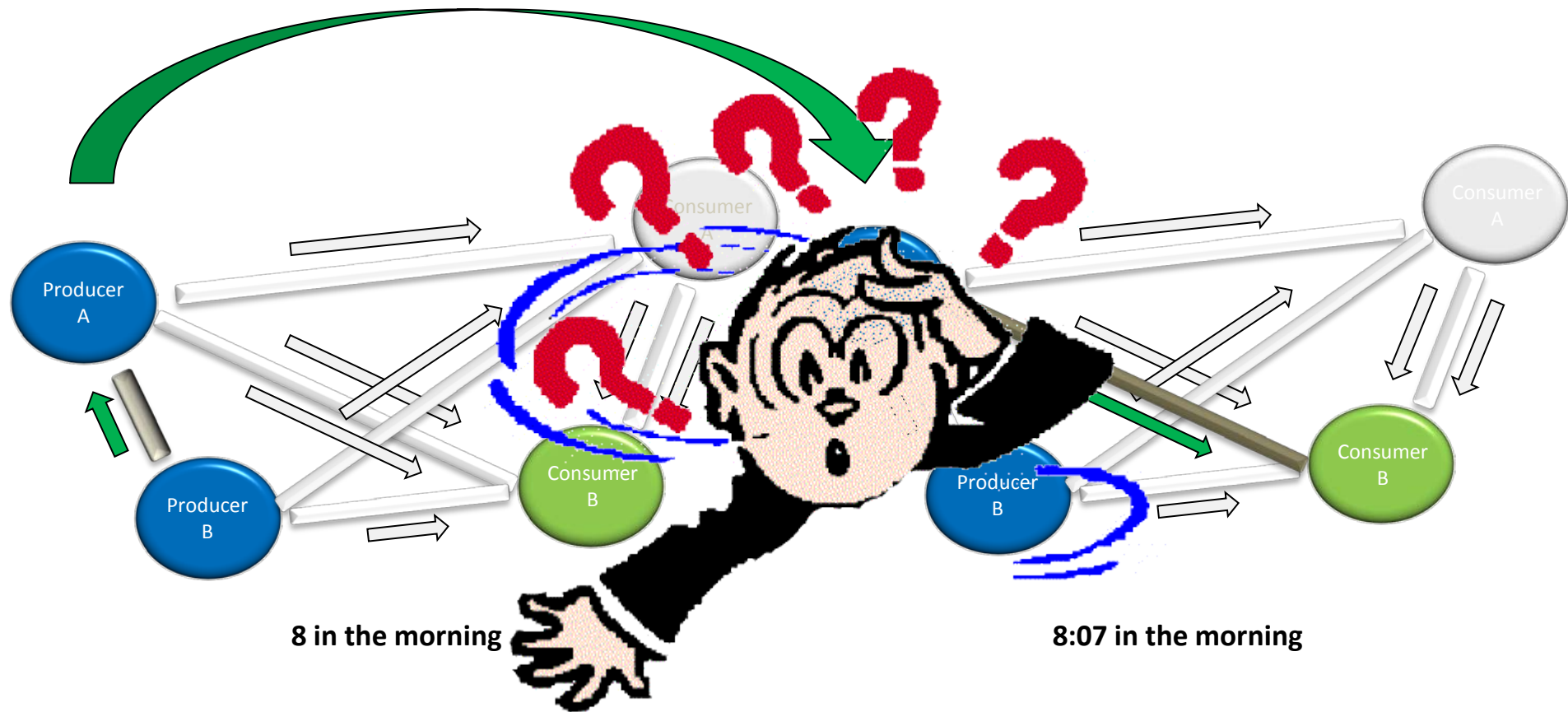
GIE Annual Conference  
Krakow – 25 May 2012

Jean Michel Glachant

Florence School of Regulation and Loyola de Palacio Chair  
European University Institute

# Any need to design any market?





**May we choose network simplification to ease trade?**

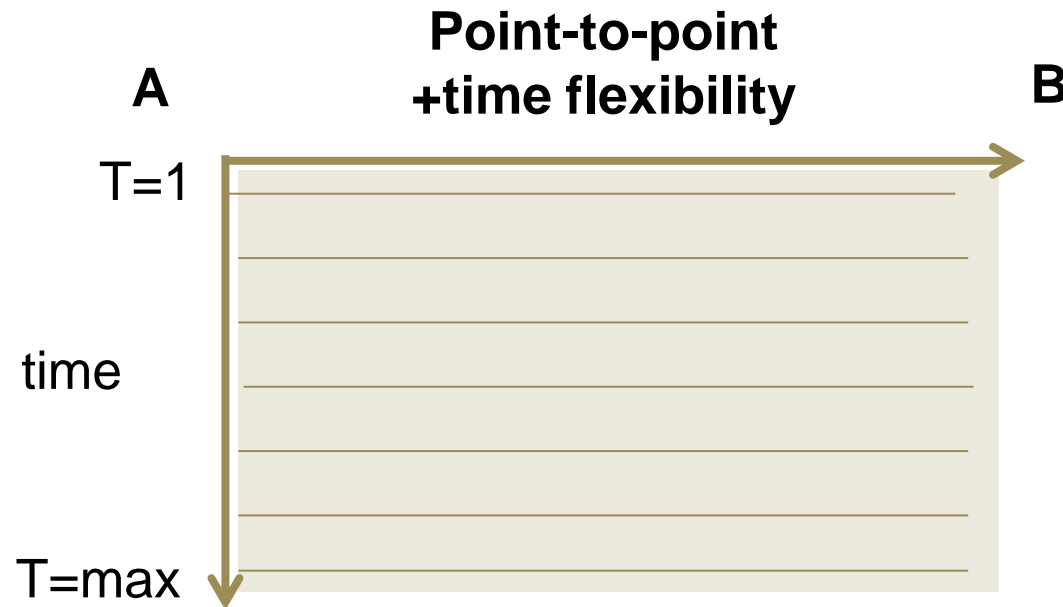
# How EU Entry/Exit zones do promote gas trade?

## **Straight TRANSMISSION SERVICE (= Straight US market)**

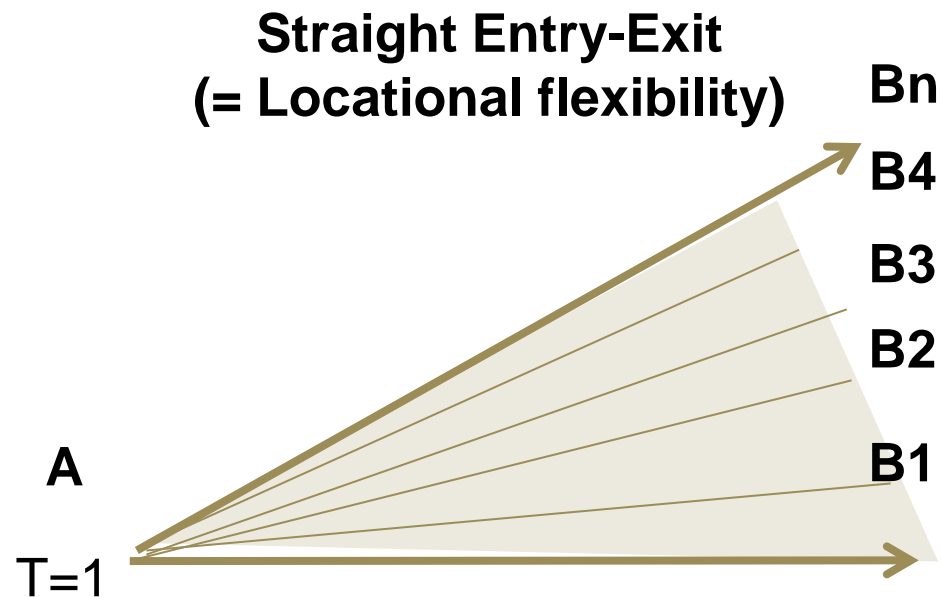
**Simple Point-to-point**



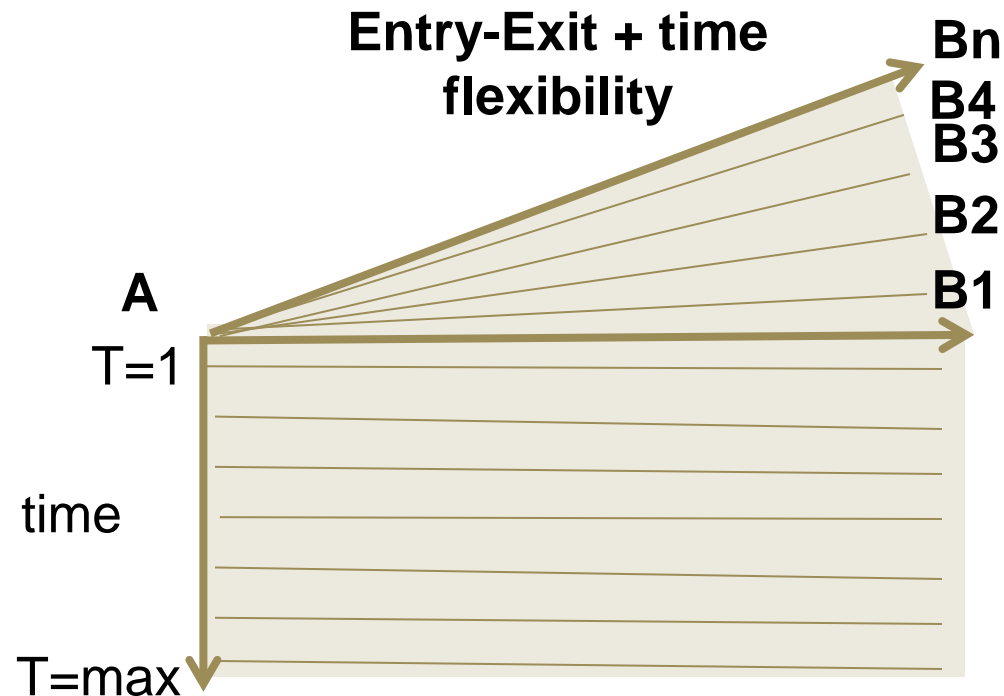
# Flexible TRANSMISSION SERVICES may enlarge time horizon of trade (and of market)



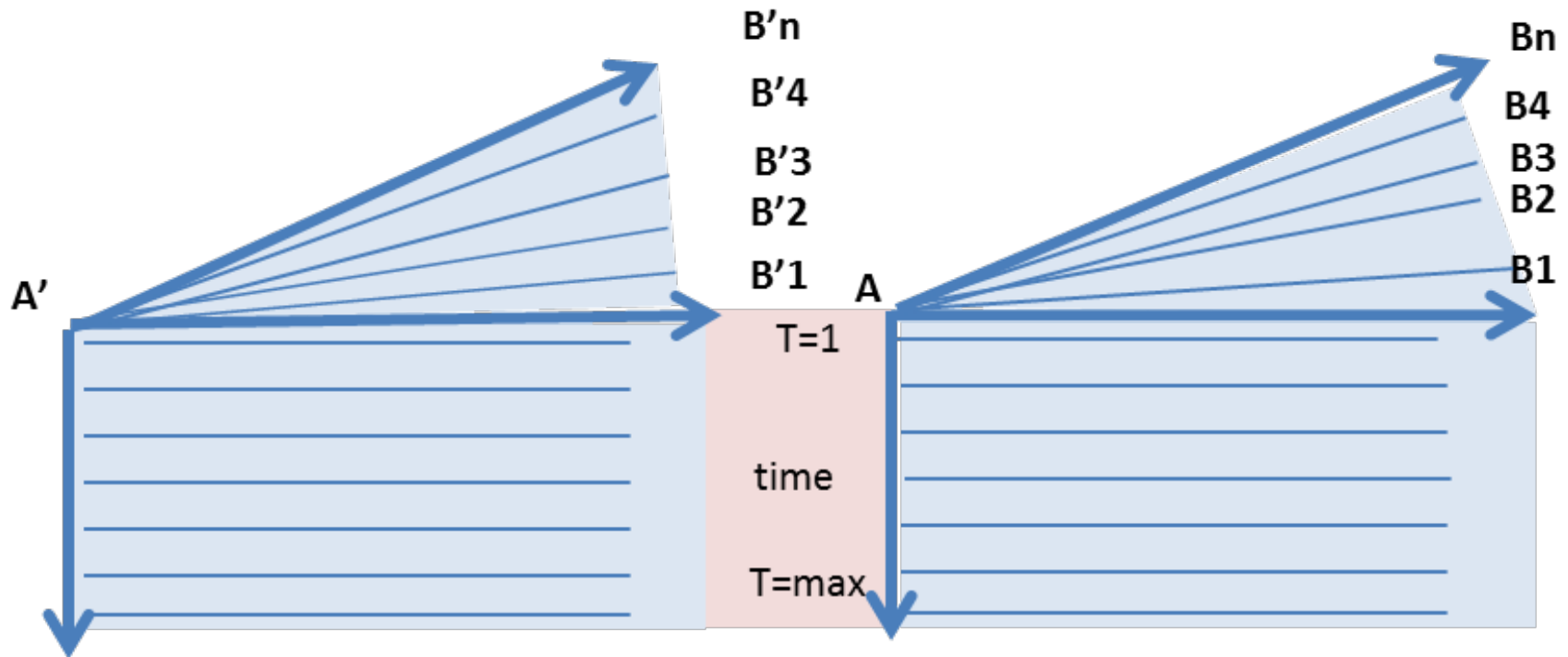
# Another type of flexible TRANSMISSION SERVICES enlarge size of market area



# Highly flexible TRANSMISSION SERVICES highly enlarge market area (EU 'Third Package' market)



# Market borders back with TRANSMISSION SERVICES shift (local) Intra zone trade vs (EU) inter zones trade





## Three academic issues with EU internal market

Issues	Key words
1-Local border barriers	<ul style="list-style-type: none"> <li>∝ size of E/E zones matters</li> <li>* merger of zones?</li> <li>** market coupling?</li> </ul>
2-Distance border barriers	<ul style="list-style-type: none"> <li>∝ EU bundled product offer &amp; EU booking platform?</li> </ul>
3-Balancing Gas (& Elec) Market distortions	<ul style="list-style-type: none"> <li>∝ No cross subsidies between Very High / Very Low linepack users</li> </ul>



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