

15 September 2011

Mr Alberto Pototschnig
ACER – Agency for the Cooperation of Energy
Regulators
Trg Republike 3,
1000 Ljubljana
Slovenia

Submitted by email

Dear Mr Pototschnig

Response to ACER's draft Framework Consultation on System Operation

We are writing in response to the above and are pleased to have this opportunity to share J.P. Morgan's views with you on the proposals raised in this consultation paper.

J.P. Morgan has been consistently supportive of policy objectives which seek to improve the efficiency and transparency of energy markets and promote fair, competitive markets, both within Europe and internationally. We welcome the role ACER will play in facilitating the implementation of these objectives and coordinating activities across Member States with the aim of establishing a single European energy market.

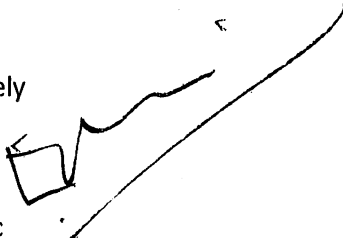
We believe this framework guideline on System Operation marks an important step in providing a common framework for electricity power transmission networks and welcome the intention to codify core requirements, which will result in the establishment of a minimum and consistent set of standards across the EU.

With respect to the six topics highlighted in the consultation, we believe each is vital to ACER's overall objectives and will play a central role in underpinning the efficient functioning of the EU internal electricity market. We note, however, that in relation to the topic of New Applications, ACER has not provided detail regarding: criteria; methodology and tools; roles and responsibilities; information exchange; and implementation issues, to be included in the underlying network codes but instead indicates these should be "*defined as appropriate and when the specific New Applications are known in full detail*".

While we firmly support the scope and objectives set for New Applications, we would highlight to ACER the importance of the subsequent network codes being sufficiently prescriptive to ensure a level playing field results. We suggest therefore that ACER establishes, *as a minimum*, overarching principles requiring the setting of transparent and non-discretionary criteria which must then be applied to all applicants which seek to enter these markets. In the absence of such minimums, we believe the risk exists that the current national divergent practice will continue.

We would welcome the opportunity to discuss this topic and others relating to the development of a single European energy market further with you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Etienne Amic', written over a diagonal line that serves as a separator between the signature and the typed name below.

Etienne Amic
Managing Director
Head of EMEA Energy Trading & Sales, and Principal Investments