



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Federal Electricity Commission ElCom

and

Swiss Federal Office of Energy (SFOE)
Energy Economy Division

CH-3003 Bern

Bern, 23 November 2012

Consultation on the issue of an electricity exchange regarding a possible market coupling

Dear Sir or Madam,

In the context of the Third Energy Package, the European Union aims at the creation of a Europe-wide electricity market. Together with the harmonization of long-term markets (forward markets), a EU-wide market coupling in the short-term market (Day-ahead and Intraday) is aimed. Regional market coupling in the day-ahead market is currently being introduced or has already been adopted between different countries. From a Swiss perspective, the question raises how a coupling of Switzerland in these new structures could take place. One condition for a Swiss participation in market coupling is the existence of a designated trading platform, i.e. a power exchange. The Swiss Federal Electricity Commission (ElCom) and the Swiss Federal Office of Energy (SFOE) have decided to conduct a joint consultation concerning the question of a trading platform. The consultation is informal and aims a better identification of the needs of the involved stakeholders.

The consultation is carried from ElCom's point of view in the legal context of surveillance and compliance with the regulations in the Swiss Federal Electricity Supply Act (Art. 22 para. 1 ESA). The SFOE is responsible for the preparation of the decision basis for adjustments of the legal framework.

We do indeed consider the organization of an electricity exchange basically as a matter of the power supply industry. The framework conditions for such an exchange however depend on the legal conditions enforced by the regulatory authorities and on possible specifications from the legislator. These requirements and the framework are currently being extensively reviewed in Switzerland by the SFOE in the light of the changes in the European Union caused by the Third Energy Package and the ongoing changes in the energy industry.



Based on the current legislation ElCom may regulate the procedure for capacity allocations in the cross-border transmission network according to article 17 paragraph 1 ESA. For ElCom two basic options are notably in the foreground: on the one hand a Swiss electricity exchange that handles the local exchange functions with a Swiss legal entity. On the other hand a contractual solution in which the exchange functions are performed by an external, possibly a foreign service provider. Also the latter option requires an entity in Switzerland. To ensure effective legal surveillance¹ in both options data sovereignty has to be guaranteed with a server in Switzerland. In addition we would like to learn with this consultation, whether in addition to the two options described above, you would see or welcome other options for a power exchange.

You will find a questionnaire attached to this letter. We kindly request you to return it until **14 December 2012**. You may download the electronic version of the questionnaire from the websites of ElCom or SFOE and send it by e-mail to the contact persons mentioned below.

Thank you in advance for your participation.

Yours sincerely,

ElCom

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Annexe:
Questionnaire
List of addresses

¹ Currently also subject of the ongoing examination of the legal framework