

Title: Equal Access To All Aspects Of The Energy Infrastructure

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Managing Energy Sources

In most of the countries in Europe, the infrastructures for supplying energy, electricity and gas, are still properties of the so-called vertically integrated undertakings (VIU) to extract or generate, supply, transmission and distribution of the energy. Whereas competition can be promoted in the generation/production and supply side of the vertical integration, transmission and distribution segments remain natural monopolies that obstruct the mechanisms of market. Vertical integration just raises the likelihood for officials to support their divisions and to prevent new entrants.

Consequently, equal and fair access to the transmission of energy and distribution networks, also LNG and storage plants, is important to promote competition in politically weak market structures of the electricity and gas.

However, a question is raised at this point that *does equal access to all aspects of the energy infrastructure actually exist?* Infrastructure of energy is specific in many ways. It is high-priced and after building a pipeline or electrical grid, it is not changed in an easy way. The energy mix and industrial structure is shaped by it about the given country for several years. (Haas et al. 2006) Another way due to the higher costs related with new infrastructure of transmission, it is economically not able to be sustained (and frequently unfeasible administratively and physically) to vie with the established grid by developing a parallel one (Nowak, 2010). Infrastructure of transmission or distribution of energy is a real natural monopoly. Almost, it is regulated all the time, mostly to make sure that other market players acquire access to the infrastructure and can vie equally with its operator.

However, according to Jerzy Buzek, European energy market at present is still inadequately interconnected and organised, as well as neither open nor competitive (Smith, 2010). He is a former European Parliament President and ex-Prime Minister of Poland, and at present he is a Member of the European Parliament. Furthermore, in the EU the prices of energy are much high as compared with America and China and are growing. In accordance with Burzek (Smith,

2010), a really organised energy market and harmonized investment in infrastructure are necessary if Europe is to return to growth and remain competitive.

The producers of energy stand to take advantage from predictability, apparent and transparent rules and as non-discriminative approach to the single market. They will be more quickly inspired and stimulated to produce energy in an entirely competitive market, and that thus pledges a reduced reliance on sources that are non-EU-based and also a more substantial position of negotiation with outside suppliers. All these transform into greater security of energy.

(Nowak, Energy Policy 2010)

The growth we are endeavouring for needs to be sustainable and sensitive for the environment. By making sure we have a more well-organised way to produce, store and distribute energy, a European market that is more competitive will, in conjunction with investments in advanced technologies, make the industry more environmentally responsive. A well-organised open and consistent market of energy should also pace the means to a low-emission economy. (Smith, 2010)

It has to be recognised that specific facets of infrastructure development may not be commercially feasible' however, these facets are needed for stabling supply of energy. Interconnectors across the border are a major prerequisite for the internal market of energy as well as a tremendous paradigm of the investment based on community in infrastructure of energy that could and should be financially supported with the resources based on community.

(KAYIKÇI, 2011) The cuts made to the Connecting Europe Facility at the negotiations time about the Multiannual Financial Framework for 2014-2020 appear more probable to restrain major level of investments of this type. It is not very easy to insist more Europe with less wealth (Marino et al. 2011).

Protectionist measures should be reviewed to assist infrastructure investment in the future. Member states of EU must forbear from regulating their retail prices of energy as all the energy trading facets should be steady and predictable. The continuing terminating of subsidies to renewable implies that they will stand at a very lower level following 2020 as compared with today. (Marino et al. 2011) However, carbon pricing simultaneously will rely on the design of environment policy and its interconnectedness with the Emissions Trading Scheme. Its strength and constancy requires that these should be intervention free that is very disruptive as the newly undertook back loading of emission allowances.

With the stagnancy of EU's economic position, at present no demand is there for an increased energy supply. That is a common reaction in the market and sluggish growth as well, and no growth and development has made Europe more efficient towards energy. However, in the returning situation to more stable growth in the near future, energy demand will again grow. After that, at the level of fundamental principles and rationales of market, those who have entered with their investment in latest infrastructure and established their capabilities in domains of production, storage and distribution, will have an obvious benefit. The industry of investment banking should contribute a vital part here and assist take the risk of these prospect investments. That these investments will shortly pay off is in little doubt, following any catastrophe, rising demand and increasing prices mean the ROR (rate of return) enhance considerably. (Haas et al. 2006)

The internal market of energy in Europe is not an end-goal. Basically, it is an approach that will facilitate the long-standing goals of the energy system that is efficient and reliable as well as the cost-effective changeover to a low-emission economy. Moreover, it has an opportunity to become best asset in the race of international level of competition. We cannot make sure the affluence of people in Europe devoid of reasonable prices of energy. In fact, no time is there to miss. An integrated market of energy will never become truth unless the current range of diverse approaches at the national level to generate, store and distribute energy, is exchanged by the European approach on the whole. There is a need of an authentic European Energy Market, an engine to move ahead the energy project alongside the ways to a mutual target. Member nations of EU are facing problems, they need make decision whether to exhibit close collaboration for the benefit of their people, or to more delay making these major initiatives and so put European competitiveness in danger. Considerable level of difference or apathy, it is depended on Europeans to take sound decision.

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