



THE EU ELECTRICITY MARKET FROM THE PERSPECTIVE OF SPAIN

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OBSERVATORI DEL DEUTE
EN LA GLOBALITZACIÓ

Introduction:

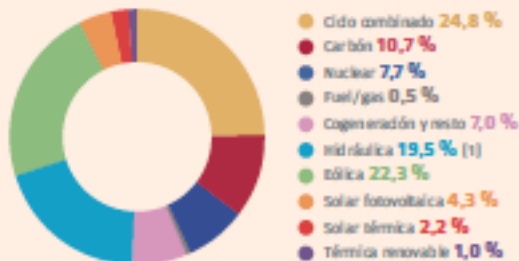
The authorization policy led to a bubble gas plants in early 2000.

There is an oligopoly where 5 companies control 94% of the market.

The tariff deficit has been used to solve the imbalance in favour of the companies. Illegitimated payments of about 80 B euro (1998-2013).

The EU market could be their solution. Island vs EU market

Power sources



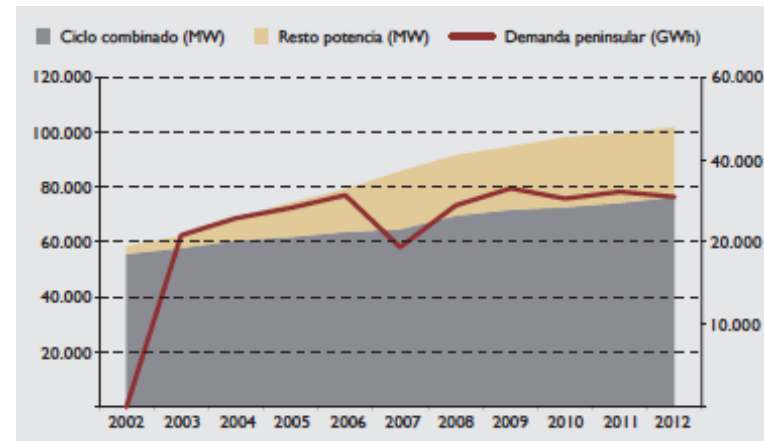
[1] Incluye la potencia de bombeo puro (2537 MW).

Generation

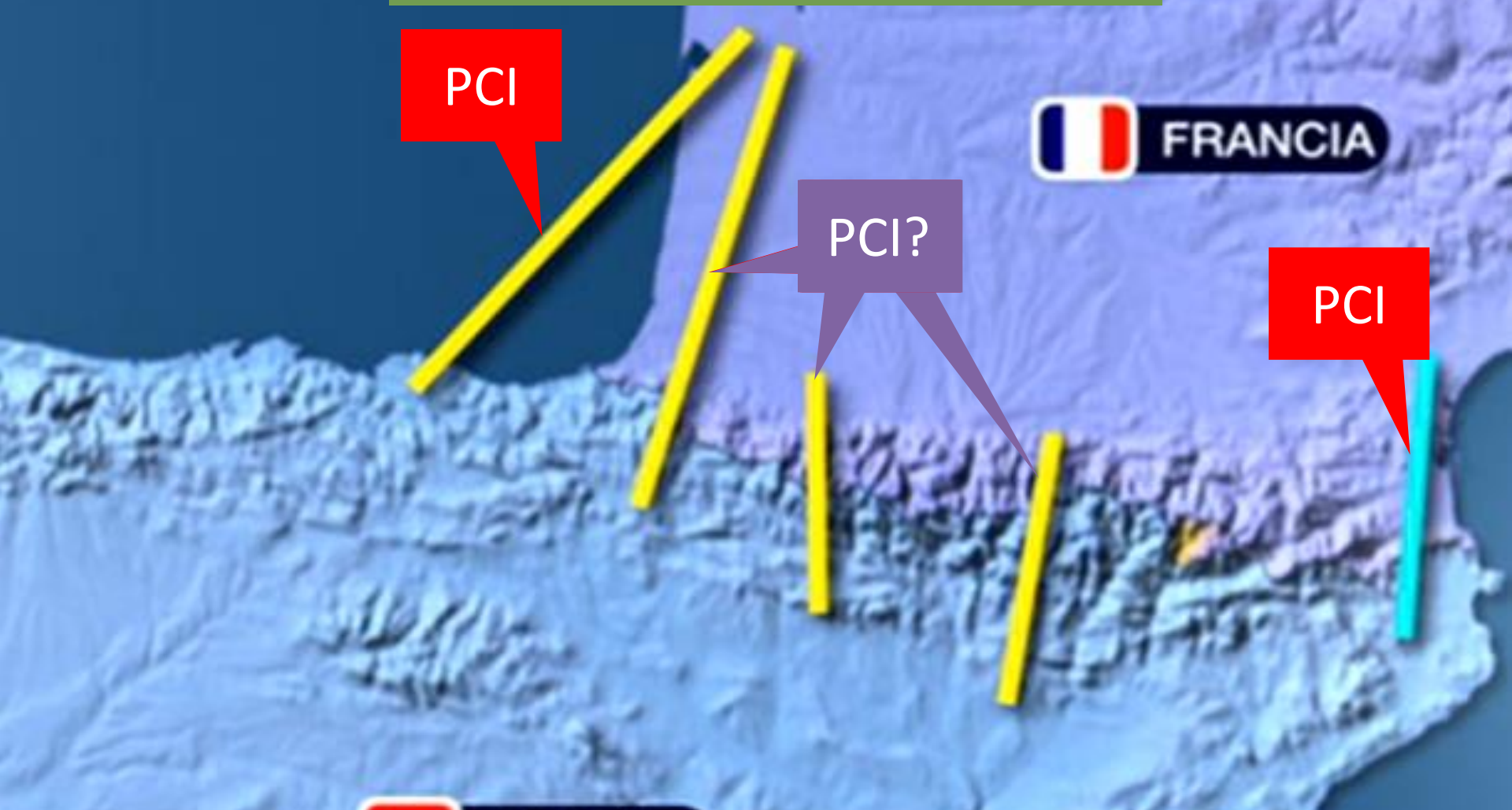


[1] No incluye la generación de bombeo.

Power sources growth vs Demand



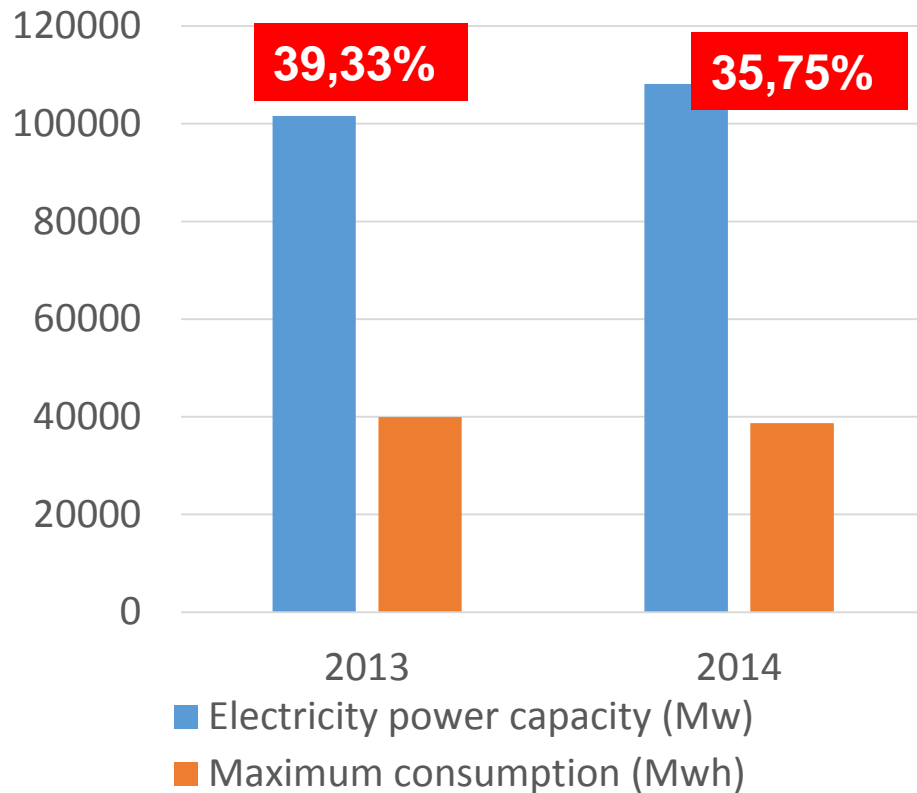
Spanish State. Interconnections



3% interconnectivity – 10% by 2020 and 15% by 2030

PCI candidates, project SP/FR name: generic project to reach 10% interconnectivity

$$\text{Interconnection} = \frac{\text{Exchange capacity}}{\text{Power capacity}}$$



2002-2004 long term contracts
Imports surplus ≅ 6bcm

Exports, 2012 (mcm)	
Turkey	221
Brazil	157
Japan	528
South Korea	82
Taipei	96
India	176
Israel	83
Total	1343

OVERCAPACITY

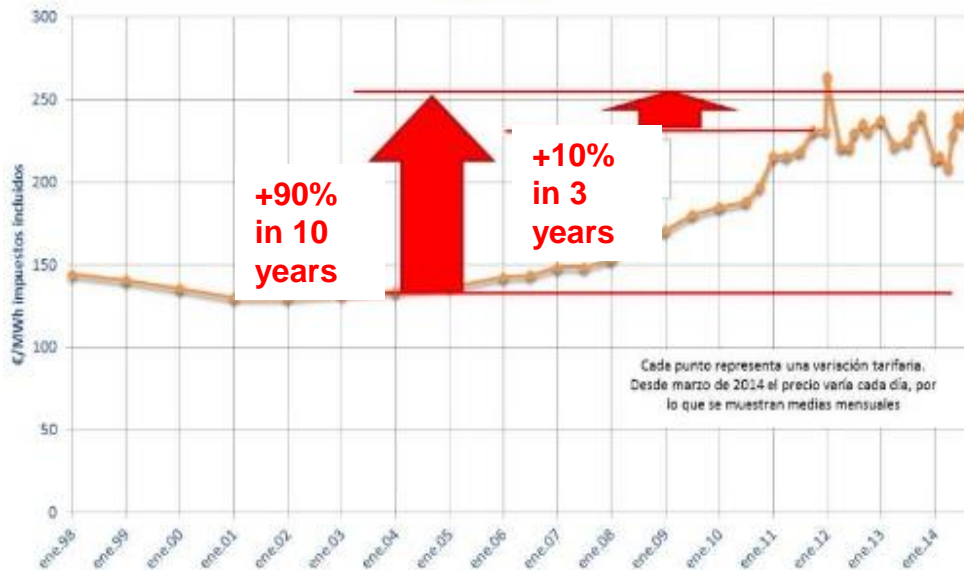
Interconnections - burning gas

Combinated cycle power plants 2013
30% working capacity

Some people could think that the EU market would be a good idea for Spain:

- Price of electricity in Spain is the most expensive in EU
- Could solve the oligopoly situation
- Could solve the overcapacity of generation situation
- Could avoid the illegitimated payments

Electricity prices evolution since liberalization



BUT:

- Companies of the oligopoly are pushing for the interconnections (EU market)
- Would attract large energy infrastructures
- In favour of markets integration: energy, banks, currency (debt crisis), FTAs
- Would permit quicker financialisation
- Markets integration have (historically) worked against EU periphery
- Decision making would get away from people (interest)
- Would make local economy more fragile (weak)

Strategy:

Priority: Popular sovereignty. From local communities and municipalities. Creating a financial firm (cooperative – citizens)

Refuse markets integration and financialization

Take the distribution market

Good conditions: climate, economic, infrastructures



OUTCOMES Community Benefits:

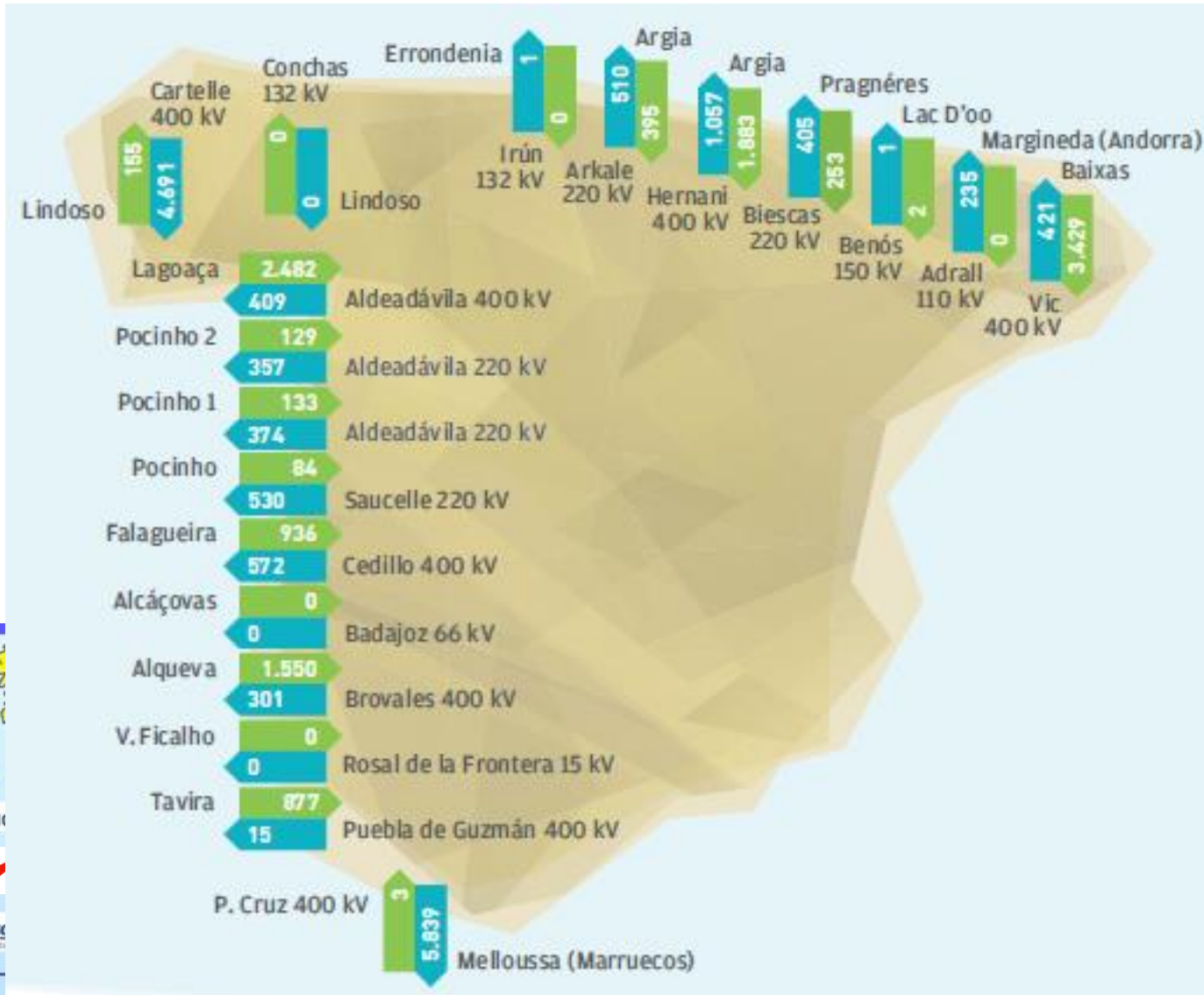
- Less oppression N-S
- Less long distance trade

OUTCOMES Ecological Benefits:

- Less GHG emissions
- Less consumption
- Better air quality
- Less global environmental impact

Thank you!





NATURAL MONOPOLY OF ELECTRICITY DISTRIBUTION

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... (NOMY ITALY)