## Actors and Arenas in the Process of Liberalisation of the Internal Market in Electricity and Natural Gas as an Example of Postmodern International System

Theoretical and Methodological Research Framework

Lenka Kovačovská

**Abstract:** The article deals with the currently very up-to-date issue of the preparation and adoption of the 3<sup>rd</sup> market liberalisation package and with the role and influence of different interest groups in it. The aim of the article is to develop a complex theoretical and methodological research framework that could be applied for analysis of actors and arenas in the process of liberalisation of the internal market in electricity and natural gas which is perceived as a typical example of the regulatory mode of policy-making in the EU. Plus, the article presents key variables (and values they might have) and conceptual factors crucial for the research. The article thus forms a basis for further research of the author, but it might be used universally for study of interest groups in the EU policies under the regulatory-mode of policy-making.

**Keywords:** internal market, liberalisation, electricity, natural gas, actors, arenas, networks, multi-level governance, interests, goals, variables

#### 1 Introduction

The article deals with the currently very up-to-date issue of gradual integration of the internal market in electricity and natural gas (IEM). The construction of the IEM is situated at the intersect of two key EU policies — the single European market and the competition policy<sup>1</sup>, e.g., it combines aspects of economic integration

and liberalisation (Mandátová 2010: 11). Liberalisation of the IEM is defined by Chemišinec as "entry of competitors on prior monopolistic markets with electricity [and natural gas] enabling free choice of supplier" (Chemišinec et al. 2010: 164).

IEM has been concurrently formed both via top-down and bottom-up approaches. The following picture displays lucidly key principles of these two approaches.

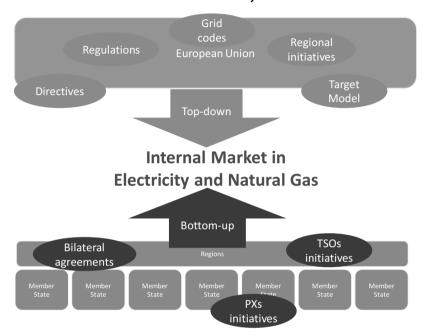


Figure 1: Creation of the Internal Market in Electricity and Natural Gas

Source: ČEPS 2011: 5

The top-down approach can be described as a sort of centrally managed integration. It includes creation of the so called target model, legally binding regulations and directives and general guidelines. Yet, the principle of subsidiarity is to some extent maintained.

The bottom-up approach, on the other hand, includes mainly partial integration on a regional basis with no extensively coordinated individual projects. Here, activities are initiated by various actors, such as power exchanges (PXs), TSOs and member states. The cooperation may be based on bilateral or multilateral agreements. The paper (and the future research of the author) focuses on both approaches in order to complexly examine the process of the IEM integration.

Gradual integration and liberalisation of the IEM is a classical example of the regulatory mode of policy-making and is influenced by a whole portfolio of different actors and their objectives. The main motives behind the IEM liberalisation are

reasonable price of energy (achieved via promotion of competition on markets and free choice of supplier by all the customers), and security of supply and general rationalisation of energy consumption. Plus, each actor directly or indirectly active in the liberalisation process has its own goals which can be antagonistic on the EU level. Thus, energy policy of the EU and the liberalisation process of the IEM are often formed on the basis of the least common denominator, e.g., such boundaries are set, which all the actors can agree on; yet, further deeper cooperation is possible.

The article has been inspired by the need of the author to develop a complex theoretical and methodological apparatus for her doctoral thesis studying the role and influence of interest groups on the liberalisation of the IEM on the example of preparation and adoption of the 3<sup>rd</sup> market liberalisation package.

The aim of the paper is to construct a complex theoretical and methodological research framework that could be applied on study of actors (with a specific focus on interest groups active in the IEM), analysis of their specific goals and objectives and their relative "might" to influence EU secondary law (regulations and directives) but also guidelines and grid codes related to the IEM.

Thus, this theoretical and methodological framework must provide clues to define main actors/interest groups (including EU institutions) in the IEM, their networks and arenas; and analyse specific preferences and objectives of these actors.

The term "actor" covers all subjects that bear and defend specific goals related to the IEM, and at the same time participate (directly or indirectly) on the legislative process based on official commitology rules and legislative process attributed to the IEM. Thus, it includes not only European institutions, member states, interest groups corresponding to the Eising's definition based on three factors (organisation, political interest and informality), but also political networks as groupings of actors where each actor has his own objectives related to the IEM and has — at the same time — the capacity to help influence success or failure of the policy (adapted by the author based on Peterson 2003: 1).

The term "arena" is understood as the environment, respectively as different levels of politics, in which individual actors meet and influence each other. The article differentiates between national, supranational (European) and international arenas.

The following (second) chapter — Internal Market in Electricity and Natural Gas — describes the research topic — the IEM, its nature, goals, position in the hierarchy of the EU policies and mode of policy-making applicable to it. Understanding these specifics is crucial for construction of the theoretical framework, e.g. application of relevant theories of international relations and political science.

The third chapter — Constructing Theoretical and Methodological Research Framework — presents actual value added of the article, e.g., it forms the theoretical framework reflecting the reality of the IEM and enabling its study; it develops complex methodology, defines key variables and values they might range.

The concluding chapter summarises the main points of the suggested research framework and suggests its further possible utilisation in the research of the IEM or other EU policies belonging to the regulatory mode of policy-making.

## 2 Internal Market in Electricity and Natural Gas

The European Commission, on its web pages devoted to the IEM, explains that "The existence of a competitive internal energy market is a strategic instrument in terms both of giving European consumers a choice between different companies supplying gas and electricity at reasonable prices, and of making the market accessible for all suppliers, especially the smallest and those investing in renewable forms of energy. ... A truly integrated market will contribute to diversification and thus to security of supply." (European Commission: Internal Energy Market<sup>2</sup>)

The liberalised IEM aims at fulfilling especially one of the triad of the EU energy policy priorities — ensuring competitiveness and affordable access to energy. The European Strategy for Sustainable, Competitive and Secure Energy from the year 2006 mentioned opening of national energy markets as one of the tools for enhancing security of supply as it is deemed to create a stable and competitive environment in which companies are motivated to invest.

For analysis of the roles and influence of various actors on the formation of the IEM, it is crucial to consider specifics of the relevant mode policy-making applied in the process of the creation of the IEM. For this purpose typology of the EU modes of policy-making as defined by Helen and William Wallace is used. They distinguish five modes of EU policy-making — a traditional Community method, the EU regulatory mode, the EU distributional mode, policy coordination and intensive transgovernmentalism (Hellen and William Wallace: *The Overview: The European Union, Politics and Policy-Making*, In: Jørgensen — Pollack — Rosamond 2007: 339—358). The IEM is a classical example of the regulatory mode of policy-making into which predominantly policies targeted at integration and liberalisation of the Internal Market belong, such as free flow of goods and capital, protection of market competition and also network utilities.

Basic characteristics of the regulatory mode of policy-making in the EU (according to Hellen and William Wallace) are:

- the European Commission as a creator and defender of regulatory objectives and rules (often in cooperation with key stakeholders and groups of experts);
- the Council as a forum for agreement regarding minimum standards and further evolvement of harmonisation;

- the European Court of Justice as a tool for securing adequate and equal adherence to the rules, supporting national courts for regional application and enabling stakeholders remediation in case of discrimination or failure to perform;
- the European Parliament as one of the means of taking into account of noneconomic factors: and
- wide opportunities for stakeholders to consult, influence and form rules of the Internal Market. (Hellen and William Wallace: The Overview: The European Union, Politics and Policy-Making, In: Jørgensen – Pollack – Rosamond 2007: 44–345).

In regulatory policies, The European Commission has an exclusive formal right of legislative initiation and the framework of its competencies against the Member States rises with its growing regulatory activity. The European Parliament has been involved especially with normative questions of public service obligations connected to liberalisation of big public utilities (incumbents), such as electricity, natural gas and postal services. (Alasdair R. Young: The Politics of Regulation and the Internal Market, In: Jørgensen – Pollack – Rosamond 2007: 383)

The specific position of the regulatory mode of policy-making in the EU is stressed by many authors (such as Eising, Kohler-Koch, Young) suggesting that it could form a new form of governance, the so called network governance thanks to the importance of supranational institutions and parallel relative openness of European political networks. According to Young, this statement has two dimensions — horizontal and vertical (Alasdair R. Young: The Politics of Regulation and the Internal Market, In: Jørgensen - Pollack - Rosamond 2007: 385). The horizontal dimension examines whether relations between state and society at the EU level differ substantially from those on national level. The vertical dimension questions whether permanent participation in the European policy-making has an impact on the modes of grasping and promotion of own interests by actors (especially governments of the member states).

According to Hix, traditional goal of regulatory policies is the generation of goods in the public interest. Regulation helps to eliminate market distortions via introduction of technical standards and consumer protection standards, health and safety standards and environmental standards, competition policies or industry regulators (Hix 2005: 236) that appear in the "real" world, even though — based on neoclassic economic theory presumption — free market is Pareto-effective. Hix notes that "regulation is made in a complex institutional environment, involving legislatures, courts, executives and competing regulatory agencies on multiple levels of government" (Hix 2005: 238) which in the theory of international relations corresponds with multi-level governance approach.

Hix suggests that regulatory policy-making is a struggle. On the one hand, under presumptions of normative analysis, if regulatory policies are to be efficient, they should be delegated to non-majoritarian institutions (such as the European Commission). On the other hand, positive theory postulates that once regulatory powers have been delegated, the subjects of regulation are more likely to be able to influence regulators than are public interest groups. Plus, business interests will seek to demand institutional configurations that would enable them to "capture" the regulator, such as regulatory agencies at the highest political level. (Hix 2005: 238–239)

Based on the means of elimination of distortions of the regulatory barriers to trade on the EU level Pinder (Jørgensen – Pollack – Rosamond 2007: 378³) distinguishes between positive and negative integration, where the first one represents adoption of common rules regulating proper function of the market and the second represents removal of tariffs and barriers to free flow of goods and capital. Pinder further differentiates among four types of positive integration — market-making regulation, regulatory approximation, "new-approach" to standardization and "home country control."

The economic or market integration aspect of the development of the IEM includes elements of both positive and negative integration. Both of them are embedded in four main elements of the IEM creation:

- *industry restructuring* with the aim to introduce competition into those sectors of the energy value chain where it is desirable and effective (generation and sale) and cope with naturally monopolistic parts of the energy chain that should be regulated (transmission/transport and distribution), e.g. we speak of ownership unbundling of vertically integrated utilities (VIU);
- third party access free and equal access of traders and producers to transmission/ transportation grids;
- market opening gradual opening of previously monopolistic or oligopolistic national markets to international competition and promotion of easier choice/ change of supplier; and
- *establishment of regulation* that can be both *ex ante* (formulation of rules of IEM, in particular liberalization packages) and *ex post* (antitrust measures derived from the EU competition policy<sup>4</sup>) (Mandátová 2010: 12, 50).

### 3 Constructing Theoretical and Methodological Research Framework

The aim of this chapter is to develop a complex theoretical and methodological approach that would enable analysis of actors and their goals and objectives in the IEM based on the above mentioned characteristics of the IEM as such and of the regulatory mode of policy-making applied for its constitution and further enhancement.

The first subchapter constitutes the theoretical framework and introduces IR theories enabling explanation of the IEM and roles of different actors in it, e.g. postmodern political system and the so called conceptual combination of Alex Warleigh. The second part describes methodology used for analysis of agents and interest groups and their goals and objectives, e.g., behavioural theories of the firm applicable for study of interests of various actors and their respective ability to influence the result of the decision-making combined with methods of process tracing and preference attainment approach. And the third part of the chapter describes variables and their operationalisation analysed with actors and policy networks, plus, it mentions key conceptual factors relevant for the IEM.

## 3.1 Theories Reflecting Reality of the Internal Market in Electricity and Natural Gas

The reality of the IEM with involvement of different actors reflecting the regulatory mode policy-making is in the IR theory best explainable by the use of the postmodern political system and his structure of relations between actors and arenas as conceptualised by Bjørn Møller (Møller 2005, Kváča – Knotková – Kochan 2009: 23–31).

The basic presumption of the model is the gradual attenuation of the dividing line between internal and external state's affairs due to globalisation. A whole range of non-state actors (corporations, media, NGOs) exist in the international environment that act independently on their "mother" states and have their own policies and objectives. Plus, the whole international system is partially privatised and has the form of a complex network or cobweb, including relations based on mutual dependence. (Møller 2005: 4–7)

According to Møller the post-modern system includes both symmetrical ("like interacts with like") and asymmetrical (between actors of different types) relations. The symmetrical relations include predominantly:

Mutual state to state interactions, but each state is increasingly being influenced
by other domestic actors, an influence which it also seeks to counteract, e.g. by
influencing public opinion through a media policy.

- Civil society exists both within each state and at an international level, inter alia in the form of international NGOs, with even national NGOs in different countries being able to interact directly with each other, thus forming a network which might be conceived of as an emergent "international civil society."
- Business exist both in individual countries, interacting with private firms in other
  countries, and as transnational corporations, capable of transferring resources and
  profits across borders within the corporation.
- The media also increasingly collaborate across borders.
- Thanks to the growing tourist industry and ICT, individuals interact with each other across borders to an increasing extent. (Møller 2005: 6)

On the other hand, the asymmetrical relations are derived from the fact that states, international organisations, NGOs and private firms are increasingly forced to interact with each other. Kváča, Knotková and Kochan summarise their characteristics:

- States enter into contractual relations with private actors;
- Majority of actors are to a certain extent dependent on public opinion on their activities, thus, relations with NGOs and media are crucial for them;
- States, international organisations and NGOs outsource a growing portion of their activities to external suppliers; and
- NGOs activities might via publicity and media influence public opinion and thus revenues of international corporations. (Kváča – Knotková – Kochan 2009: 24)

The postmodern international system with its actors and their symmetric and asymmetric relations is illustrated in the following figure.

Buseines

Civil society

NGOs

State

Individuals

Global public opinion

Media

Outside

Figure 2: Postmodern foreign policy by Bjørn Møller

Source: Møller 2005: 5

Increasing density of interactions with growing complex mutual dependence — according to Møller — accelerates demands on governance. Non-state actors might overtake part of the governance from states, and thus, Møller concludes that international governance, especially on the EU level, might be analysed via the multi-level governance approach. (Møller 2005: 7)

Gradual preparation and approval of the 3<sup>rd</sup> liberalisation package is an integral part of the European process of decision-making, which represents a highly complex and dynamic mechanism that is influenced by a multitude of actors and internal and external factors. As this process takes place on several levels<sup>5</sup>, Fiala, Říhová and Šaradín (Fiala, Říhová, Šaradín 2007: 8–9) speak about the so called multi-level decision-making in the EU. They conclude that different integrational theories must be used for analysis of individual levels of decision-making. Supra-system level (The European Council, intergovernmental conferences and the ECJ) should be analysed by liberal intergovernmentalism and neofunctionalism; system level of decision-making (the Council, COREPER, The European Parliament in the case of joint decision-making) by theories of new institutionalism and for sub-system level (the Commission, working groups of the Commission, committees of the Parliament) multilevel governance and policy network analysis should be applied.

From this multitude of IR and integrational theories, the last two concepts — multilevel governance and policy network analysis (especially Rhodes model of

policy networks) — are suitable for the research framework. Their combination for the analysis of decision-making and governance in the EU is recommended also by Alex Warleigh, who forms the so called conceptual combinations of them.

Multilevel governance is a concept explaining the basic type of polity into which the EU has evolved, plus, it tries to estimate its further development. Policy network analysis, on the other hand, helps to understand the complexity of the process of alliance-building, negotiations and discussions through which actual European public policy is being formed. Thus, the combination of these two concepts clarifies the nature of the EU system and its functioning. (Warleigh 2006: 77)

Warleigh explains the signification of the conceptual combination on its ability to satisfy five basic requirements on functional EU theory; which is graphically pictured in the following figure.

Figure 3: Theoretical importance of the multilevel governance and policy network analysis

Theoretical needs	Satisfaction of the theoretical need
Explanation of the nature of the EU political system	Multilevel governance
Explanation of the functioning of the EU decision-making	Policy networks
Applicability on the whole portfolio of participating	Multilevel governance on sub-state governments and
actors	actors; policy networks on multi-institutional and
	non-state actors
Applicability on all the policy sectors	Policy networks
Ability to generate testable hypotheses	Proclamations of the multilevel governance on how
	and why states choose multilevel mode of governance;
	proclamations of the policy networks on how and why
	actors cooperate

Source: Warleigh 2006: 91

Thus, by application of these two approaches, it is possible to include all the actors participating in the process of the liberalisation of the IEM. The policy network model further explains why certain actors are excluded from the decision-making. Hence, the combination of these two concepts enables — according to Warleigh — generation of testable hypotheses about further evolution of the EU system and its decision-making processes. Analysis of policy networks and their internal structure in a specific EU policy sector determines — according to Peterson (Peterson 2003: 2) — and helps to explain and predict results of specific policies.

#### 3.2 Methodology

Application of the postmodern model of international politics on the liberalisation of the IEM (when the process of European integration is regarded with a combination of multilevel governance and policy networks, thus political science approaches) gives us the model of the internal market in electricity and natural gas, its actors and arenas.

Their further categorisation and analysis will be in the thesis performed via economic theories, e.g. microeconomic behavioural theories of the firm, especially the model of R. M. Cyert and J. G. Marche and Doyle's model zones of tolerance. Applicability of these two models — primarily aimed for studies of setting and attainment of company's goal — on the liberalisation of energy markets has been already examined by the author in her previous research. The first one — the model of R. M. Cyert and J. G. Marche — is suitable for categorisation of individual EU interest groups and following analysis of their preferences. The second one — Doyle's model zones of tolerance — is suitable for analysis of interests and preferences from the Union's point of view.

Measurement of influence of interest groups can be performed by a multitude of means. Klüver, in her work dedicated to analysis of influence of interest groups in the EU via quantitative text analysis, (Klüver 2009) identifies three methodological approaches:

- · process tracing
- attributed influence method and
- preference attainment approach.

The advantage of the process tracing method is — according to Klüver — that it has high internal validity and is beneficial when comparing two competitive theories or for formulating new hypotheses. Its disadvantage, on the other hand, streams from the fact that it is limited to analysis of one or few political problems.

Attributed influence method proceeds from self-image of interest groups or from the judgement of experts and it can be applied for a huge number of cases. Its negative is that it measures perceived influence rather than the real one.

Preference attainment approach measures the rate of satisfied preferences, compares political preferences of interest groups with the final policy outcome and based on this, it evaluates "winners and losers" of the legislative process. This method gives objective measurements, covers all channels of influence and might be applied to a large number of cases. However, it is difficult to identify political preferences.

Based on the aforementioned, the research question stated in the thesis and in the introduction of this article — what is the role and influence of interest groups in the process of the liberalisation of the internal market in electricity and natural gas — will be answered by using a combination of process tracing (of preparation

and approval of the 3<sup>rd</sup> liberalisation package) and of the preference attainment approach. The original proposal of the European Commission will be compared with individual versions coming out of consultation processes and with the final wording of approved regulations and directives. Plus, comments and position papers of individual interest groups, that have been made public, will be analysed to identify their preferences.

However, as the  $3^{rd}$  market package is a very complex set of regulations and directives, interests of the interest groups will be studied on the selected set of provisions that are newly introduced or strongly modified by the  $3^{rd}$  package, e.g.:

- a high standard of public service obligations and customer protection;
- structural separation between transmission activities and production/supply activities of vertically integrated companies («unbundling»);
- stronger powers and independence of national energy regulators;
- new tools to harmonize market and network operation rules at pan-European level;
- a new institutional framework: ACER and the ENTSOs.

To sum it up, postmodern model of international politics and structure of relations between actors and arenas as defined by Bjørn Møller combined with microeconomic behavioural theories of firms (the model of R. M. Cyert a J. G. March and the Doyle's model of zones of tolerance) will be used to identify key actors, arenas and their preferences. The process tracing will be used to check the validity of causal relations, respectively intervening causal mechanism between individual actors and arenas.

## 3.3 Variables and their Operationalisation

The overview of all the variables and values that they might reach (operationalisation) that will be analysed is presented in the following Figure 4. It contains variables analysed with all the actors, then variables analysed only with policy networks and last but not least it contains contextual factors of influence, e.g. conditions, under which the influence was reached.

Figure 4: Operationalisation of studied variables

Operationalisation of studied variables						
	Analysed variable	Explanation	Operationalisation/ values reached			
	Nature of interest	Nature of interest that	Public			
Variables analysed with all the interest groups		concrete interest group defends	Private			
	Orientation of the interest	Orientation/focus of the	National/unilateral			
		interest promoted by the interest group	International/multilateral			
	Position in the regulatory	Involvement in the	Internal			
	mode of policy-making	legislation process according to official commitology rules and legislative process applied to the IEM	External			
	Access	Number of contacts that particular interest group has with the EU institutions	Free — smooth access to legislators in the process of preparation and negotiations of legislative proposals			
			Partially limited – interest group has access to legislators besides official consultation procedures, frequency of interactions is however limited			
			Highly limited — only via official public consultation processes			
	Political mobilisation capacity	Ability of the interest group to make their interests the object of political discussion/ interest	High			
			Limited			
			Low			
	Membership in the policy network	Involvement of the interest group in policy network according to the definition of Rhodes	Yes			
			No			

Variables of the internal structure of the policy network	Stability of the membership	Evolution of the membership in the policy network and its dependence on discussed topics	Stable long-term
			Varying in the medium-term
			Ad hoc according to concrete issue
	Relative isolation of the network	Rate of isolation of the network to other interest groups	Very tight membership complete elimination non-members, bound by professional, legal etc. specifics
			Limited membership bound by a limited set of interest group characteristics
			Highly penetrable for different actors with different interests
	Power of resource dependencies	Are members of the policy	Strong mutual dependence
		network mutually dependent (and to what extent) because of limited resources?	Partial mutual dependence limited to a smaller set of resources (such s finance, access to EU institutions)
			Self-sufficiency and mutual independence of actors
Contextual factors of influence — analysed with all the actors	Degree of conflict of interest of interest groups and legislators	Rate of correspondence between interest groups and legislators?	Matching interests
			Legislators indifferent towards interest group interests
			Legislators have own interests that they have already satisfied, indifferent towards interest group interests
			Strong opposition of interests
	Type of influence sought	Extent to what the interest group wants to change the legislative proposal	Directional Influence
			Technical influence
			Agenda-setting influence

Source: author

Plus, another contextual factor that is solely applicable to the study of the creation/liberalisation of the internal market in electricity and natural gas is the rate of liberalisation of energetics in the concrete member state that will be measured by:

- Rate of market concentration;
- Existing form of unbundling;
- Presence of national incumbents.

# 4 Conclusions — Utilisation of the Constructed Theoretical and Methodological Framework for Further Research

The aim of the paper was to construct a complex theoretic and methodological research framework that could be applied to the study of actors (with a specific focus on interest groups active in the IEM), analysis of their specific goals and objectives and their relative "might" to influence EU secondary law (regulations and directives) but also guidelines and grid codes related to the IEM.

For this purpose, it analysed the nature of the IEM and the mode of policy-making applicable to it. This was the basic input crucial for the theoretical construction/delimitation of the IEM that is build on the postmodern model of international politics with conceptual combination (of multilevel governance and policy network analysis) used to further specify roles of various actors/interest groups. Analysis of aims of various actors is based on microeconomic theories of firms combined with method of process tracing and preference attainment approach. Plus, the article contains a complex set of variables and values they might reach crucial for assessing influence of individual actors.

Thus, this theoretical and methodological framework provides clues to define the main actors/interest groups (including EU institutions) in the IEM, their networks and arenas under the postmodern model of international politics; and analyse specific preferences and objectives of these actors.

Based on analysis of the 3<sup>rd</sup> liberalisation package, identified interest groups with their objectives and existing networks attempts for predictions could be made regarding the outcomes of further European liberalisation steps in the field of the IEM. The framework might also be further used for other analysis of other aspects of the IEM, such as TEN-E, infrastructure package etc. Or it can be used for analysis of interest groups in other EU policies that adhere to the regulatory mode of policy-making.

#### Notes

- In this respect two precedent rulings of the European Court of Justice in the field of electricity and natural gas are crucial as they confirm that European rules for economic competition are applicable also in this field. These rulings are:
  - Enel Case Case 6/64 Flaminio Costa vs ENEL [1964] ECR 585
  - Ijsselcentral Case from the year1992.
- Available at: http://europa.eu/legislation\_summaries/energy/internal\_energy\_market/index\_en.htm (18 May 2011).

- Originally quoted from Pinder, J. (1968) "Positive integration and negative integration: dome problems of economic union in the EEC", *The World Today*, 24(3): 88–110.
- The European Commission can use its powers in competition policy based predominantly on articles 85 and 86 of the EEC that prohibit distortion of competition in the common market and the abuse of a dominant position, plus the right to initiate infringement procedures according to article 169 of the EEC against Member States.
- According to the position in the institutional structure of the EU, they differentiate 3 levels of decision-making (supra-system, system and sub-system); according to types of decisions they differentiate also 3 levels (political-strategic, legislative and legislatively-applicable). They further differentiate levels according to actors that are dominant for specific levels (international conferences, European Council, The Council, COREPER, the Parliament, The Commission, working committees of the Council, committees of the Parliament, lobbing groups, etc.), according to the modes of arrangements (intergovernmental, intra-institutional, exchange of resources and information) and according to the type of rationality (political, politically-technocratic, technocratic-consensual). (Fiala, Říhová, Šaradín 2007: 9)

#### List of Abbreviations

ACER Agency for the Cooperation of Energy Regulators

ECJ The European Court of Justice
EEC European Economic Communities

ENTSOs European Network of Transmission/Transportation System Operators

EU European Union

ICT Information and Communication Technologies

IEM Internal Energy Market (in this article applicable also to the internal market in electricity and natural gas)

IR International relations

NGOs non-governmental organisations

PXs power exchanges

TSOs Transmission/Transportation System Operators

VIU vertically integrated utilities

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