ENERGY COMMUNITY

24th Permanent High Level Meeting
Vienna, 23 March 2012

Wholesale Market Opening
Local Action Plans TEMPLATE
WMO-LAP Template

scope

Sources

- SEE Wholesale Electricity Market Opening Study
- Regional Action Plan
- Energy Community Policy Paper on Wholesale Market Opening

Measures

- Unbundling of the TSO
- Unbundling of the SUPPLY
- Sustainable criteria for ELIGIBILITY
- Market-based BALANCING
- Monitoring of MARKET CONCENTRATION
- Full level of TRANSPARENCY
- Establishment of a DAY-AHEAD MARKET
- Full level of COST-REFLECTIVITY
Unbundling of TSO

Target

- Functional and legal UNBUNDLING of TSO/ISO from Supply and Generation
- Increased LIQUIDITY of TSO/ISO

Actions

- *Legal enforcement* – Grid Code, cross-border capacity allocation rules, distance-independent transmission tariffs, imposed obligations (licenses), monitoring

- *Structural measures* – company operation codes, financial settlement, operation security rules, planning and investment mechanisms, effective system for data acquisition (SCADA) and IT support for congestion management and DAM operation

- *Commercial measures* – losses and ancillary services to be purchased under market-based conditions
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Unbundling of Supply

Target

- LIBERALIZATION of **Supply**
- LIBERALIZATION of **Generation**

Actions

- *Legal enforcement* – Market model abandoning single-buyer option and introducing forms of spot-trading (DAM), entry of competitive supply (licensing, switching), customer support

- *Structural measures* – decompose dominant structures in the wholesale (“wholesale suppliers”), complete unbundling of remaining vertically integrated structures (distribution)

- *Commercial measures* – abolish “full supply” contracts for customers active on the market (optionally introduce transitional “base-load” contracts), reduce losses and increase collection rate
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Eligibility

Target

- APPLICABLE (real-term) criteria for eligibility

Actions

- *Legal enforcement* – compliant eligibility threshold and scope (resellers, suppliers), restricted access to regulated supply, reverse regulatory and administrative scrutiny,

- *Structural measures* – gradual imposition of eligibility / decrease of threshold, incentives for market opening and customer support for switching (metering, settlement, transitional supply)
Balancing

Target

- MARKET-BASED conditions for balancing

Actions

- *Legal enforcement* – market-based balance responsibility, Market rules, methodology for costs of imbalances

- *Structural measures* – adequate metering and settlement of balance responsibility, gradual development of cross-border balancing platform
Market concentration

Target

- SUPPRESS market concentration and establish MONITORING

Actions

- **Legal enforcement** – prevention of market dominance, penalization of abuse of market power, monitoring competences and obligations, monitoring rules, transparency

- **Structural measures** – prevent possibility for abuse of market dominance by an incumbent generator, establish monitoring instruments, generation adequacy through market-based exchanges and diversification, gradual increase of virtual unbundling of generation capacity
Transparency

Target

- Establish FULL-SCALE compliance in transparency

Actions

- **Legal enforcement** – compliance with Regulation (EC) 1228/2003 on transparency, monitoring of transparency, acquisition and availability of data for market participants

- **Structural measures** – TSO to publish data (wholesale prices, ATC and cross-border flows, planned maintenance and outages), administrative procedures for authorization or tendering for new capacity

- **Commercial measures** – eliminate any custom or administrative fees, restrictions, reservations and/or priority rights on capacity, import or export
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Day-Ahead Market

Target

- ESTABLISH or ensure REGULAR PARTICIPATION in a DAM

Actions

- **Legal enforcement** – market model including spot-market platforms (DAM), Market Rules allocating responsibilities for DAM operation, settlement rules, DAM monitoring rules, transmission capacity allocation rules, licenses

- **Structural measures** – establish Market Operator function, establish Settlement agent (mechanism), introduce contracts for DAM operation

- **Commercial measures** – provide initial funds and ensure sustainable operation of DAM
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Cost-reflectivity

Target

- Ensure COST-REFLECTIVITY of network tariffs
- Introduce PHASE-OUT of regulated supply prices
- Introduce NON-TARIFF SUPPORT for vulnerable customers

Actions

- Legal enforcement – implement the measures indicated in the related acts – i.e. the Report for Regulated Energy Prices in the Energy Community
NEXT STEPS

- **CP** – Provide input on the status-quo on the individual Actions and related planned activities (as in the Template) – submit to ECS by 16.05.2012

- **CP** – Propose provisional deadlines for each activity

_ECS is available to provide assistance and clarification to the Contracting Parties upon request._

_ECS shall monitor, summarize the outcome and report to the PHLG and ECRB_