Contribution of CESEC-Electricity to SEE Market Integration
CESEC-Concept

- Combination of technical & political discussions
- Project focus

[Diagram showing the flow from Technical discussions, Result (negative/positive), Political Discussion, and Solution]
A Multitude of Initiatives –

=> Coherence & close coordination
SEE region includes Energy Community

11. Capacity Calculation Region 11: South-east Europe (SEE)

=> Legal obligation to link both regions
Positive Experience: CESEC - Gas

8.9.2016 – Budapest:

- **CEF Grant Agreement** for the Bulgaria-Romania-Hungary-Austria corridor
- **Joint Statement on the Vertical Corridor**
- **Memorandum of Understanding** on reverse flows on the Trans-Balkan pipeline.
- Adoption of an **Action Plan 2.0**
- **Symbolic commissioning:** Interconnector Bulgaria-Romania, four compressor stations in Bulgaria.

Agreement to **extend CESEC regional cooperation** beyond gas.
CESEC extension

NEW AREAS OF COOPERATION

• *Electricity wholesale market integration* (+infrastructure projects + risk preparedness)

• *Renewable energy*

• *Energy efficiency*

**Next Steps:**
*Project Roadmaps - High Level Group meeting, Summer 2017*
CESEC-E - Choice of Pilot Projects

- Agreement on integrated Roadmap / Action Plan (EnC & EU) - proposals:
  - **IT/Serbia/Montenegro** – market coupling pilot
  - **BG/RO/GR+EnC** – development of common capacity calculation method
  - **Croatia/B-H** – day-ahead/intraday pilot
  - **Serbia/CZ/SK/RO/HU** – market coupling pilot
  - **B-H/Slov/Croatia** - Balancing reserve sharing

- Closely aligned with WB6 process/roadmap
Other elements: Infrastructure
North-South electricity interconnections in Central Eastern and South Eastern Europe (‘NSI East Electricity’)

Source: © Eurogeographics for the administrative boundaries. © PLATTS for the underlying energy network.
Other elements: Common Risk Preparedness Actions

- Well-functioning markets cannot prevent electricity crisis situations (i.e. due to extreme weather conditions, cyber-attacks)

- Crisis situations are often cross-border in nature

- So far: different national approaches & no systematic cross-border cooperation

- Proposal: Common system defense plans
Other elements: Energy Efficiency

• The cheapest energy is the one that we do not consume

• Energy efficiency should be considered as a source of energy in itself:
  ➢ It is endless
  ➢ It is available everywhere
Other elements: Transition to Renewables

- Investment certainty
- Tapping heating and cooling potential
- Market integration of RES electricity
- Strengthening bioenergy sustainability
- Promoting innovation in transport
- Collective target achievement

Contributing to the EU political priority of becoming world number 1 in renewables

&

Achieving the at least 27% EU-level binding renewables target cost-effectively