Creating a Regional Electricity Market in the Western Balkans

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44th PHLG Meeting
15 December 2016, Vienna
Creating a Regional Electricity Market in Western Balkans well under way...

- Vienna WB Summit 2015 – process kicked-off
- Paris WB Summit 2016 – commitment reiterated
- Rome WB Summit 2017 – forthcoming
- Towards 2018 implementation targets
The Energy Community Secretariat as a facilitator of WB6

The Energy Community Secretariat:

- Facilitates the process
- Monitors the implementation
- Reports on bi-monthly basis

The reports are published on the ECS website:

https://www.energy-community.org/portal/page/portal/ENC_HOME/AREAS_OF_WORK/WB6/Monitoring
Spot Market Development

Organised day-ahead markets started to emerge in the WB6:

- **in operation**
  - SEEPEX in Serbia

- **in the making**
  - Albanian Power Exchange (APE)
  - Montenegro (project company to be set-up)

⇒ Institutional set-up for organized day-ahead-market needed as a precondition for market coupling (adhering to the already established day-ahead markets would be an optimal solution for small markets in WB6)
Cross-border Balancing

- Balancing mechanisms operational in:
  - Bosnia and Herzegovina
  - Montenegro
  - Serbia

- Cross-border exchange within control blocks
  - SHB (SI, HR, BA)
  - SMM (RS, MK, ME)

⇒ National reform of balancing mechanism ongoing
  - Kosovo
  - FYR of Macedonia
  - Albania

Implementation since Vienna Summit
State of Implementation before Vienna Summit
Regional Capacity Allocation

Regional Capacity Allocation through SEE CAO, except:

- Macedonia – joined in 2016, MK-GR border as of 2017
- Serbia in the admission process

Regional Capacity Calculation

- SCC – BA, ME, RS - members
- SEE – AL, KS, MK – MoU signatories

Regional coordination and cooperation through RSCs needs to be strengthened
Cross-cutting measures

- Cross-cutting measures implementation crucial for market opening:
  - Price deregulation
  - TSO unbundling
  - DSO unbundling
  - NRA independence and observer status in ACER

- Further efforts are needed in order to fully transpose and implement the 3rd Energy Package

Graph showing the state of implementation before and since Vienna Summit for Albania, Bosnia and Herzegovina, Kosovo, FYR of Macedonia, Montenegro, and Serbia.
Overall Implementation of Soft Measures

- Albania
- Bosnia and Herzegovina
- Kosovo
- FYR of Macedonia
- Montenegro
- Serbia

Legend:
- Spot Market Development
- Cross-border Balancing
- Regional Capacity Allocation
- Cross-cutting Measures
• The Grant Contract on Technical Assistance in the Western Balkans Component 2: Regional Energy Market

• Signatories: European Union, represented by the European Commission, and the Energy Community, represented by the Energy Community Secretariat

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Project Outline

• **Begin date:** 7 June 2016
• **Duration:** 24 months
• **Financing:** up to EUR 1,000,000
• **Beneficiaries/Target groups:** Ministries responsible for energy, TSOs, DSOs, producers of electricity, NRAs, state aid and competition commissions, in the WB6
• **Final beneficiaries:** The citizens of the Western Balkans
• **Objective:** Creating regional electricity market
• **Work Programme:** Drafted by ECS, adopted by EC

[Link to document](https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4448414/430EA40557BA72ADE053C92FA8C08D82.pdf)
Implementation of Work Programme

1. identification of expertise required for the implementation of TA Project
2. sign cooperation memorandum with the beneficiaries
3. development of ToR for the assignment, in consultation with beneficiaries
4. launch of the procurement procedure (according to the threshold as listed below)
5. evaluation of the offers received based on pre-defined criteria
6. commissioning the expertise – sign the contract with the selected service provider
7. project execution phase
8. monitoring and evaluating implementation of the task by the ECS, reporting
9. approval of reports, project closing
10. defining follow-up actions

Implementation risks: political, economic, social

⇒ WB 6 countries to actively cooperate with the Secretariat in implementing technical assistant projects
Thank you

https://www.energy-community.org/portal/page/portal/ENC_HOME/ENERGY_COMMUNITY/Institutions/Secretariat/TA