Towards a Regional Electricity Market

Panel Debate I – A Herculean Task: Integration of Electricity Markets
Regional Market Integration – 12 Labours of EnC CPs

- TSO unbundling
- Day-ahead market
- Balancing
  - Production
  - Consumption
- Capacity Calculation
- DSO unbundling
- Market Coupling
- Cross-border Balancing
- Capacity Allocation
- Price deregulation
- Liquidity
- VAT Harmonisation
- Dispute resolution
Day-ahead market establishment – a moving target

**MONTENEGRO**
- **Aug 2017**: BELEN established
- **Q3 2018**: Strategic partnership to be established
- **Q1/Q2 2019**: Go-live of DAM

**NORTH MACEDONIA**
- **May 2018**: Energy Law adopted
- **Nov 2018**: MEMO to become operational
- **Nov 2018**: Government decree on organized electricity market
- **H1 2020**: Go-live of DAM

**ALBANIA**
- **Feb 2018**: PSL Amended
- **July 2018**: Council of Ministers (CoM) decisions to be adopted
- **H1 2019**: Go-live of DAM

[Timeline diagram showing key dates and milestones for each country]
Day-ahead market establishment – a moving target

**MONTENEGRO**
- **Aug 2017**: BELEN established
- **April 2019**: Strategic partnership selected
- **Q2/Q3 2019**: Go-live of DAM

**NORTH MACEDONIA**
- **May 2018**: Energy Law adopted
- **June 2019**: MEMO to become operational
- **June 2019**: Government decree on organized electricity market
- **Q3 2019**: Government decision on appointing MEMO as PX or to lunch a tender
- **H1 2020**: Go-live of DAM

**ALBANIA**
- **Feb 2018**: PSL Amended
- **May 2019**: Council of Ministers (CoM) decision on PX adopted
- **June 2019**: Council of Ministers (CoM) decision on criteria for shareholders in PX
- **H1 2020**: Go-live of DAM
Average annual day-ahead market price in 2017

Source:
ACER MMR 2018,
SEEPEX
Multiple-choice poll

What is the main reason behind the slow development of day-ahead markets in the Energy Community?

- Lack of political support: 49%
- Uncertainty about an impact on the electricity prices: 16%
- Uncertainty about the coupling with EU markets: 16%
- Difficulties to coordinate with neighbouring countries: 18%
- None of the above: 2%
Energy Community Secretariat

Day-ahead market coupling in EnC - early implementation ongoing

Legal framework for market coupling is not yet in place

- CACM Regulation is expected to be adopted for EnC in 2019/2020;
- CACM adoption for EnC is linked to the Energy Community Treaty changes, expected to be adopted by the end of 2019

A process of an early implementation of CACM is ongoing:

- CACM implementation toolkit was developed:
  - NEMO and Shipping Agent designation decision and ECRB recommendation on its adoption
    - adopted in April 2019, implementation on the way in North Macedonia and Montenegro
  - Capacity Calculation methodology for the so-called Shadow Capacity Calculation Region 10, and ECRB recommendation on regulatory measures supporting early implementation of coordinated capacity calculation in the Energy Community
    - To be adopted, it will trigger NRAs‘ approval and TSOs‘ implementation of CC methodology
Pilot projects for market coupling between EU MSs and EnC CPs are ongoing:

- **Bulgaria – North Macedonia (BG-MK)**
  - A roadmap adopted, market coupling planned for 2020
  - Cost sharing agreement was drafted and is expected to be adopted once MEMO becomes operational

- **Albania-Italy-Montenegro-Serbia (AIMS)**
  - A roadmap for coupling has not yet been adopted, work in progress
  - AIMS Regulatory Coordination Platform is convening on a regular basis

*Will an early implementation be possible and under which conditions?*
Cross-border balancing in EnC - early implementation ongoing

Electricity Balancing Guideline is expected to be adopted for EnC in 2020/2021

A process of an early implementation of CACM is ongoing:

- Regional balancing platforms were developed and tested using the real-life data provided by the transmission system operators of WB6:
  - Annual saving of EUR 16 million and 4.3 million estimated in case of imbalance netting and mFRR cooperation respectively
  - Coordinated integration roadmaps for imbalance netting and mFRR were developed, to a large extent based on the presumption that the WB6 parties will be fully integrated into the European balancing platforms by end 2024 (for mFRR)
    - Most of WB6 TSOs to be technically ready to integrate into EU Imbalance netting platform (IGCC) end 2019-H1 2020
    - Full compliance with EB GL and SO GL is still missing according to the performed legal gap analysis

Will an early implementation be possible and under which conditions?
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EU-Energy Community Market Coupling – the path from early implementation to legal certainty
Elaine O’Connell | DG ENER, European Commission

Single-day Ahead Coupling – a success story – is expansion possible?
Ole Jacob Høyland | TSO Co-Chair
Rafael Gómez-Elvira González | NEMO Co-Chair

EU-Energy Community Market Coupling – what is needed from a regulatory perspective?
Salvatore Lanza | ACER Task Force CACM

EU and Energy Community TSOs – Regional cooperation under ENTSO-E - bridging the gap
Sonya Twohig | ENTSO-E

European Market integration - Industry perspective
Ioannis Retsoulis | Eurelectric
Multiple-choice poll

Panel Debate I (1/2)

Do you think that market coupling between EU Member States and the Energy Community will happen within the next years?

On a voluntary basis 55%

Only when it becomes legally binding 45%
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<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
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<tr>
<td>Do you think that the first market coupling involving the Energy Community Contracting Partie(s) will happen in 2020?</td>
<td>59%</td>
<td>41%</td>
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Thank you for your attention!

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