8th Region Wholesale Market Opening
Status Quo – Expectations – Challenges
Nina Grall
Targets Met? – Regional Reality Check

Deadlines agreed in 2011

- **CAP CALC**
  - Q4 / 2011
  - Coordinated bilateral explicit auctions on all borders

- **FW / LT**
  - Q1 / 2012
  - PXs / service from PXs
  - Q4 / 2014
  - Regional one stop shop

- **DA**
  - 12 / 2012
  - Bi-/trilateral MC
  - Q4 / 2014
  - Regional MC

- **ID**
  - Q2 / 2014
  - CB on several borders

- **BAL**
  - Q2 / 2015
  - Regional CB

*Not defined by RAP → project launched*

Target not met

Some progress made

Target met
Open:

- VAT Albania (?)
- Serbia, Macedonia
- Bulgaria, (Romania)
- Missing interconnections 8th Region

*Shareholder SEE CAO*
*SEE CAO shareholder but facing challenges*
*Not participating SEE CAO*
*Not participating SEE CAO with non-8th Region interconnectors participating other CAOs*
DA / PX: Status Quo Focus 8th Region

Outlook – Potentials

- Servicing by existing PXs / shareholder agreements / branch offices

- PXs existing
- PXs establishment agreed
- PXs discussed
- No PX related development

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Conclusions

1. Prepare nationally
   - *Clean your market*: abolish single buyer models, regulated generation
   - *Make your market fit for the future*: (1) introduce market based BAL rules, (2) introduce DA rules

2. Act regionally
   - **LT/ FW**: Serbia, Macedonia, Bulgaria, Romania, missing interconnectors
   - **DA / MC**: complete a 8th Region approach
   - **ID**: ...
   - **BAL**: initiate a coordinated model

3. Prepare for NCs
Thank you for your attention!

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Background Slides
The Concept

Act regionally

WHY

HOW

Prepare regionally

Regional Market Integration (EnC/EU)

CAP CALC Y / M / D / DA

FW / LT

DA

ID

BAL

legislative / regulatory

EnC Electricity Target Model („RAP“)

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DA: Do National Rules Fit The Regional Purpose?

Focus CPs

- DA rules established
- DA rules under discussion
- DA rules not established

Where missing to be included in legislative reforms 2014
Where national rules missing to be included in legislative reforms 2014
**BAL:** Regional Project Launched

9 EU balancing pilots
ref. NC BAL: CoBA
identification

10th pilot 8th Region?

„Pilots in the pilot“

- Reserve sharing agreed
- Reserve sharing discussed
- Potential for IN extension
**BAL: Do National Rules Fit The Regional Purpose?**

**Dominantly based on:**
- domestic balancing service providers (BSP)
- non-market based procurement
- obligation for incumbent production companies
- volume requirements based on UCTE OH
  (some CPs- small systems with big units)
- regulated price, approved by the NRA
  (based on the lump sum)

**Except in FYR of Macedonia partly for:**
- Replacement Reserve (100 MW)
- Procured abroad
- In the form of TSO-BSP model
- Tendering procedure on yearly basis
- TRM used
**BAL: Do National Rules Fit The Regional Purpose?**

*Dominantly based on:*

- Domestic BSPs
- non-market based procurement
- Obligation for incumbent companies
- regulated price (no balancing tariff defined)
- TSO-TSO model for exchange of Balancing Energy in emergency situation between some CPs or CPs and EU MSs

*Except in Serbia:*

- Balancing Energy market operational
- Obligatory participation for contracted Balancing Capacity and unused capacity after day-ahead (one dominant player)
- TSO-BSP model with Merit Order List
- Hourly balancing energy bids
- Pay-as-bid pricing