Regional Power Exchange
Spot Market & CAO

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EnC Electricity Target Model – “RAP”

Regional Market Integration (EnC/EU)

- CAP CALC
- FW / LT
- DA
- ID
- BAL

legislative / regulatory reforms
1 – SPOT MARKETS

DAY AHEAD MARKETS, PXs, MARKET COUPLING
Day Ahead Markets / Market Coupling – Status Quo

- No Day-Ahead Products (energy & capacity)
- DA capacity is allotted on some/all borders (ATC)
- Organised DA market exists
- Market Coupling implemented on some borders
Day Ahead Markets / Market Coupling – Way Ahead

- **Advance of Multi-Regional Coupling (MRC) in the EU**
- **Starting point** for establishing integrated organised market in SEE is heterogeneous
  - Some organised markets exist (SI, IT, RO, HU, GR)
  - Some initiatives were launched (HR, RS, MK, BU, TR)
  - Others are at the very beginning (UA, MD, BA, KS, AL)

**But:** only a few components are crucial to ensure the inter-operability
Key Priorities for a Regional Approach

- **Compatibility**
  - Allowing regional and European Integration
  - Abandoning of barriers to integration (control structure, market participation requirements, tax recognition, ...)

- **Competition**
  - Functioning spot markets to provide prices which serve as underlying for all other time frames and investments
  - Micro-market structures (Western Balkans) with dominant players (one PX per dominant player) no long-term option
Developments Require Adaptations

Paradigm of having a national/regional PX changed

Emphasis is on “functionality“ not on institution
Network Code concept flexible for nomination of other PXs/Market Operators
Template solutions exist
Single Algorithm

Synergies in establishment
Freedoms coming with early implementation
Benefits of having an “own“ PX → design and control
Targets

1. Identify single **copy-and-paste approach** for central functionalities
   - Flexibility in implementation to prevail
   - Critical standards are to be followed

2. Make best use of the solutions that are already developed

3. Focus on **being ready for MRC enlargement**
   - Reduce regulatory barriers to market participation
   - Outline framework for establishment of institutions
Way Forward

**Policy Guideline**

- containing the minimum set of required elements for each implementation project to ensure long-term compatibility and consistence for the fastest possible integration
- performed by ad-hoc working group comprising all entities establishing or operating organised market in SEE
- Presentation / discussion of draft at Athens Forum
- Consultation on draft guidelines post Athens Forum
- Finalisation in autumn 2015 (target)
2 – LONG TERM / FORWARD CAPACITIES

CAO
BA, HR, MN
- 27/28 Nov: First **Yearly** Capacity Auction
- 15 Dec 2014: First **Monthly** Capacity Auction
- 31 Dec 2015: First **Daily** Capacity Auctions

+ AL, GR, TR, KS
- Additional borders under preparation
- Expected sequence: MN-AL, AL-GR, GR-TR, KS

Others
- RS: discussions about CAO servicing ongoing
- MK: infringement case opened
- RO: to join with RS
- BU: complaint forwarded to EC

EnC-wide
- Process of creating Harmonised Auction Rules (HAR) for **all** auction offices initiated by ENTSO-E (for 2016)
- FCA Network Code requirement: Single Platform for Forward Capacity Allocation → Merging of all remaining AOs in the mid-term future
Thank you very much for your attention!
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