Western Balkans 6

Will the CPs hit targets in time for Paris? | What stands against?

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Re-calling

- 27 August 2015 Vienna Western Balkans Summit

22. The Western Balkan countries have decided to establish a regional energy market by establishing power exchanges and a regional balancing market as well as making the best use of the already existing Coordinated Auction Office. The Western Balkan countries agree on the priority list of ‘soft measures’ in energy covering specific national issues to implement the Energy Community acquis and have invited the Energy Community Secretariat to take the lead to develop the regional energy market and to help implementing these ‘soft measures’. The Western Balkan countries will ensure that these issues are implemented before the next Summit in France.

- Infrastructure co-financing subject to meeting commitments
- Roadmaps and ECS monitoring
## Energy Soft Measures Implementation

<table>
<thead>
<tr>
<th>Measure</th>
<th>Albania</th>
<th>Bosnia and Herzegovina</th>
<th>Kosovo*</th>
<th>FYR of Macedonia</th>
<th>Montenegro</th>
<th>Serbia</th>
</tr>
</thead>
</table>

- **Critical**: Critical aspects that need immediate attention.
- **Significant delay**: Significant delays in implementation.
- **Insufficient progress**: Insufficient progress in implementation.
- **Pending**: Pending implementation.
- **Progress on track**: Progress on track.
- **Significant progress**: Significant progress.
- **Accomplished**: Accomplished.
Will targets be met? – spot markets

In most of the countries the legal & institutional fundamentals are missing for the development of spot markets.

RS has made a significant step forward by launching the power exchange SEEPEX.

Heterogenous developments will postpone market coupling in the Western Balkans.
Requirements and deadlines for the TSO unbundling are missing in the Energy Law!
In most of the countries legal requirements are in place, but the implementation is missing!

In KS DSO unbundling process completed;

AL, BA, MK, ME and RS
Regulators shall use their authorities to enforce legal and functional unbundling
Will targets be met? – price de-regulation

Price Deregulation

Cross-subsidization among different categories of customers impedes price deregulation

AL, BA, KS, MK
Regulation of electricity price from (state-owned) generation companies shall be abolished
Thank you for your attention!

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Background slides
## Investment projects

<table>
<thead>
<tr>
<th>#</th>
<th>Reference</th>
<th>Beneficiary</th>
<th>IFI</th>
<th>Description / Title</th>
<th>Investment € million</th>
<th>Grant € million</th>
<th>Grant in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPA/WBIF 2015 Co-financing</td>
<td>Albania</td>
<td>KfW</td>
<td><strong>ENERGY PROJECTS</strong> &lt;br&gt;Albania – the former Yugoslav Republic of Macedonia Power Interconnection (I): Grid Section in Albania</td>
<td>538.8</td>
<td>144.9</td>
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<tr>
<td>1</td>
<td>WBIF CF 1001 ALB ENE</td>
<td>Albania</td>
<td>KfW</td>
<td><strong>ENERGY PROJECTS</strong> &lt;br&gt;Albania – the former Yugoslav Republic of Macedonia Power Interconnection (I): Grid Section in Albania</td>
<td>70</td>
<td>14</td>
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<td>2</td>
<td>WBIF CF 1002 MKD ENE</td>
<td>the former Yugoslav Republic of Macedonia</td>
<td>EBRD</td>
<td><strong>ENERGY PROJECTS</strong> &lt;br&gt;Albania – the former Yugoslav Republic of Macedonia Power Interconnection (II): Grid Section in the former Yugoslav Republic of Macedonia</td>
<td>49</td>
<td>12</td>
<td>24%</td>
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<td>3</td>
<td>WBIF CF 1015 MNE ENE</td>
<td>Montenegro</td>
<td>KfW</td>
<td><strong>ENERGY PROJECTS</strong> &lt;br&gt;Trans-Balkan Electricity Corridor (I): Grid Section in Montenegro</td>
<td>127</td>
<td>25</td>
<td>20%</td>
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<tr>
<td>4</td>
<td>WBIF CF 1003 SER ENE</td>
<td>Serbia</td>
<td>KfW</td>
<td><strong>ENERGY PROJECTS</strong> &lt;br&gt;Trans-Balkan Electricity Corridor (II): Grid Section in Serbia</td>
<td>28</td>
<td>6.6</td>
<td>24%</td>
</tr>
</tbody>
</table>
Regional measures

Long-term markets

Yearly

Establishment of regional coordinated capacity calculator

Short-term (spot) markets

Monthly

Establishment of an organized electricity markets and market coupling

Balancing

Day-Ahead

Establishment of regional balancing market

Intraday

Real time
National accompanying measures

Removal of legal and regulatory obstacles

Regional Capacity Allocation

Spot Market Development

Cross-border Balancing

Production

Consumption

50 Hz

TSO
Cross-cutting measures

- Eliminating price regulation
- Granting eligibility to all customers
- TSO and DSO unbundling
- Ensuring independence of national energy authorities
- Applying for observer status in ACER
- Increase effectiveness of national administrative authorities
- Timely implementation of Trans-European Network Regulation