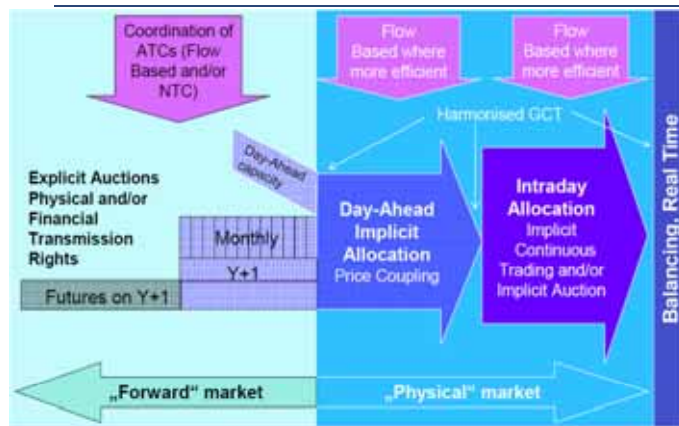


## Regional Action Plan for Market Integration in SEE

Miloš Mladenović, ENTSO-E RG SEE Convener

Regional Meeting of the SEE TSO's  
Skopje, 16 November 2011

## EU Target Model for the IEM



Consensus between all relevant stakeholders

A medium term view for progressive implementation in the EU by 2014

- Addresses all timeframes in a logical and sequential way
- Developed in parallel with the regional market integration initiatives
- Act as a benchmark for consistency and cross border harmonisation

SEE TSOs, Skopje, 16 November 2011

## SEE RAP Main Principles



- **TSO – Regulators coordination (common ECRB EWG – RG SEE document)**
- Main concept in line with EU developments (EU Directives, Framework Guidelines, Target Market Model)
- WMO Study
- ENTSO-E RG SEE Working Program
- **2<sup>nd</sup> Joint PHLG-ECRB Meeting** dedicated to **WMO** issue was held on 24 March 2011: SEE RAP Draft was discussed and presented by ECRB EWG and RG SEE conveners
- **SEE RAP Draft harmonized** between ECRB EWG and ENTSO-E RG SEE and approved by ECRB (June 2011)
- SEE RAP supported by PHLG (October 2011)

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## SEE RAP Document Structure



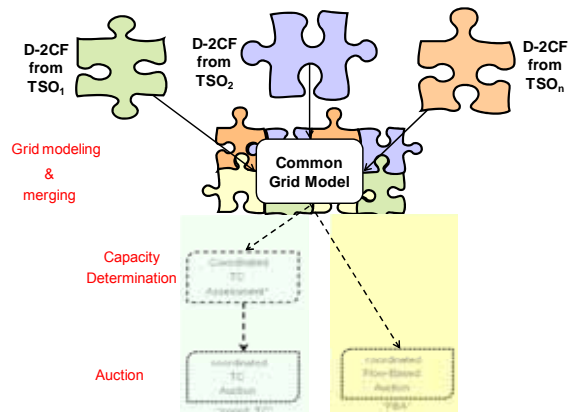
- **SEE RAP structure comparable to FG CACM structure:**
  - **CAPACITY CALCULATION**
  - **FORWARD CAPACITY MARKETS**
  - **DAY-AHEAD MARKET**
  - **CROSS-BORDER INTRADAY MARKET AND BALANCING MECHANISM**

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## Capacity Calculation

- Development of common grid model and coordinated capacity calculation method in the SEE region in line with the EU Target Model



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## Forward Capacity Market

- Step by step (“glide-path”) approach
- Implementation of coordinated bilateral explicit auctions in the SEE Region
- Establishment of multilateral coordinated (NTC based) explicit auctions on several borders (based on technical and organizational feasibility)
- Establishment of centralized multilateral coordinated (NTC-based in a first step, flow based method is still under consideration) auctions on most of SEE borders
- Multilateral coordinated auctions on all borders within the SEE region (regional one-stop-shop or EU-wide solution)

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# Forward Capacity Market



MONTHLY ALLOCATION in SEE (September'10)



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# Forward Capacity Market



MONTHLY ALLOCATION in SEE (September'11)



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## Forward Capacity Market

MONTHLY ALLOCATION in SEE (PLAN MID 2012)



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## Day-Ahead Market

- **Price Based Market Coupling as Target Model for SEE DAM**
- Staged Implementation of the Regional DAM
- Parallel Development of Regional and Local Electricity Markets
- Bilateral/ trilateral market coupling in the SEE region (nucleus approach or different regional initiatives)
- Integration with neighbouring regions/markets
- Pan-European market coupling including the SEE region operational

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# Day-Ahead Market - Explicit



DAILY (D-1) ALLOCATION in SEE (September'10)



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# Day-Ahead Market - Explicit



DAILY (D-1) ALLOCATION in SEE (September'11)



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# Day-Ahead Market - Explicit



DAILY (D-1) ALLOCATION in SEE (PLAN MID 2012)



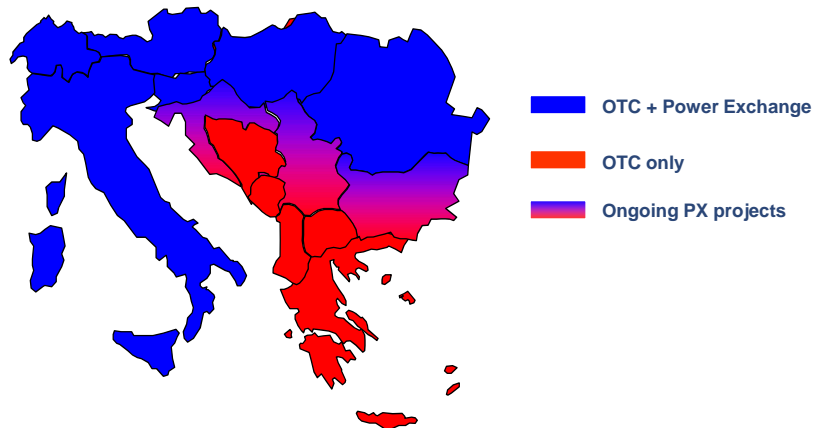
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# Day-Ahead Market - Implicit



## ➤ Ongoing initiatives



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## XB Intraday Market

- **Common regional solution for XB Intraday Market**
- First step as simple as possible (FCFS or pro-rata)
- Interim step of sub-regional integration before implementing an entirely regional solution (market integration would start with a nucleus consisting of two to three jurisdictions)
- Final solution in line with EU Target Model (continuous trading)
- **XB Balancing Market**
- Investigation of the options for integration of national balancing mechanisms (taking into consideration timeframe and results achieved on ENTSO-E level)
- TSO-TSO mechanism without common merit-order list as an interim solution
- Final solution – XB Balancing mechanism with common MO list

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## XB Intraday Market

INTRADAY in SEE (2011)



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## XB Intraday Market

INTRADAY in SEE (PLAN MID 2012)



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## Governance

- **Top-Down Guidance:**
- European regulation, Framework Guidelines on CACM, Network Codes
- **Governance within the SEE Region**
- MC (supported with PHLG) - general policy guidance to the process and harmonization of the national legal and regulatory frameworks
- ECRB - harmonization of market rules and network codes, regional market monitoring process
- ENTSO-E RG SEE – development of the regionally coordinated CACM mechanism and harmonization with the corresponding EU-wide mechanism
- EC Secretariat - support to the Energy Community institutions in the Treaty implementation process
- **Governance at Local Level**
- Development and implementation of the Local Action Plans

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