



Creating a Regional Electricity Market in the Western Balkans

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44th PHLG Meeting

15 December 2016, Vienna



Creating a Regional Electricity Market in Western Balkans 6 well under way...

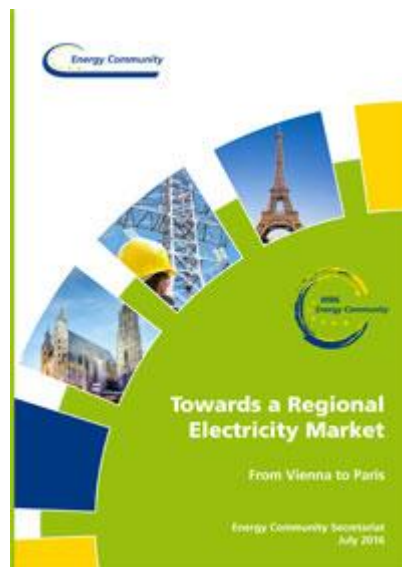
- **Vienna WB Summit 2015 – process kicked-off**
- **Paris WB Summit 2016 – commitment reiterated**
- **Rome WB Summit 2017 – forthcoming**
- **Towards 2018 implementation targets**



The Energy Community Secretariat as a facilitator of WB6

The Energy Community Secretariat:

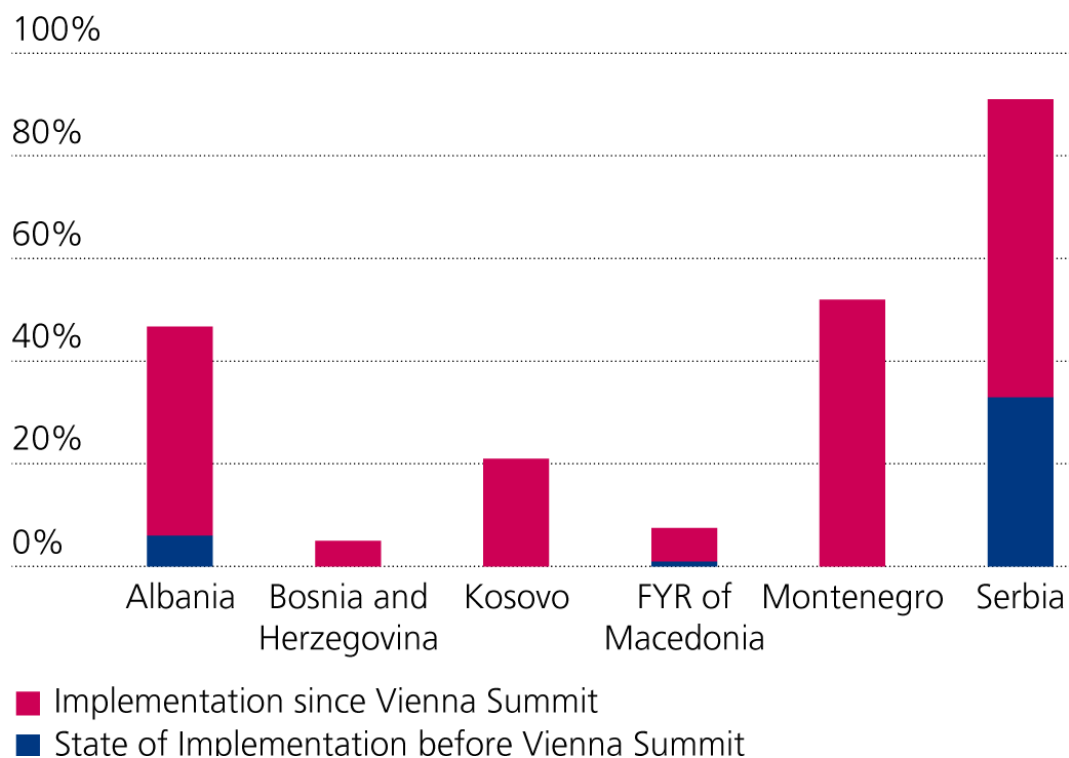
- Facilitates the process
- Monitors the implementation
- Reports on bi-monthly basis



The reports are published on the ECS website:

https://www.energy-community.org/portal/page/portal/ENC_HOME/AREAS_OF_WORK/WB6/Monitoring

Spot Market Development



Organised day-ahead markets started to emerge in the WB6:

➤ **in operation**

✓ SEEPEX in Serbia

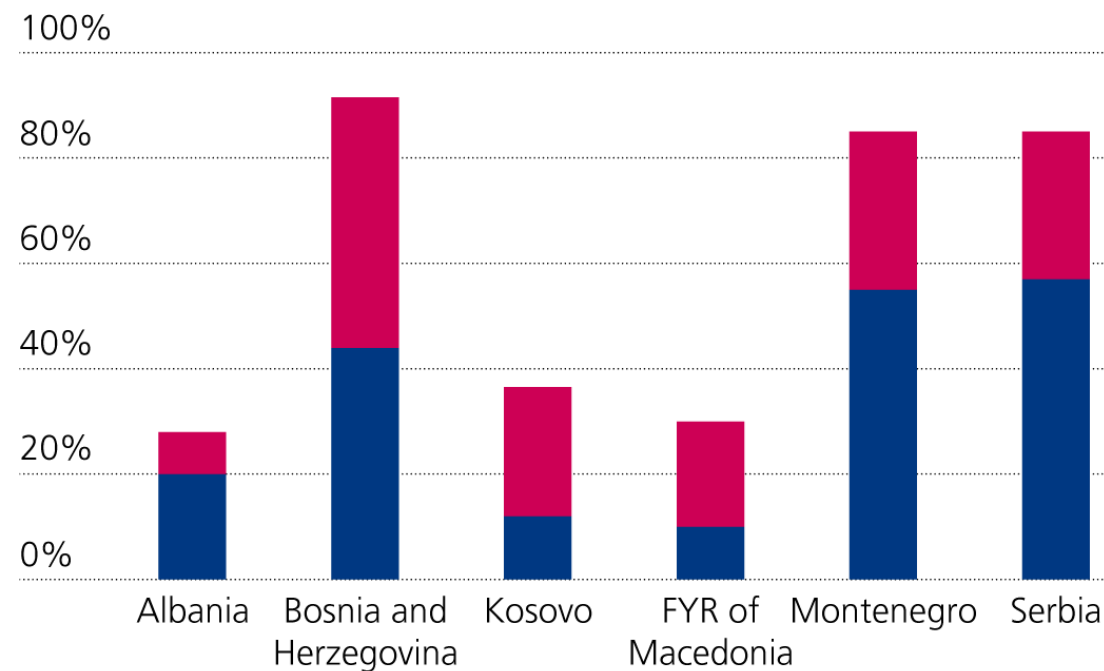
➤ **in the making**

✓ Albanian Power Exchange (APE)

✓ Montenegro (project company to be set-up)

⇒ **Institutional set-up for organized day ahead-market needed as a precondition for market coupling (adhering to the already established day-ahead markets would be an optimal solution for small markets in WB6)**

Cross-border Balancing



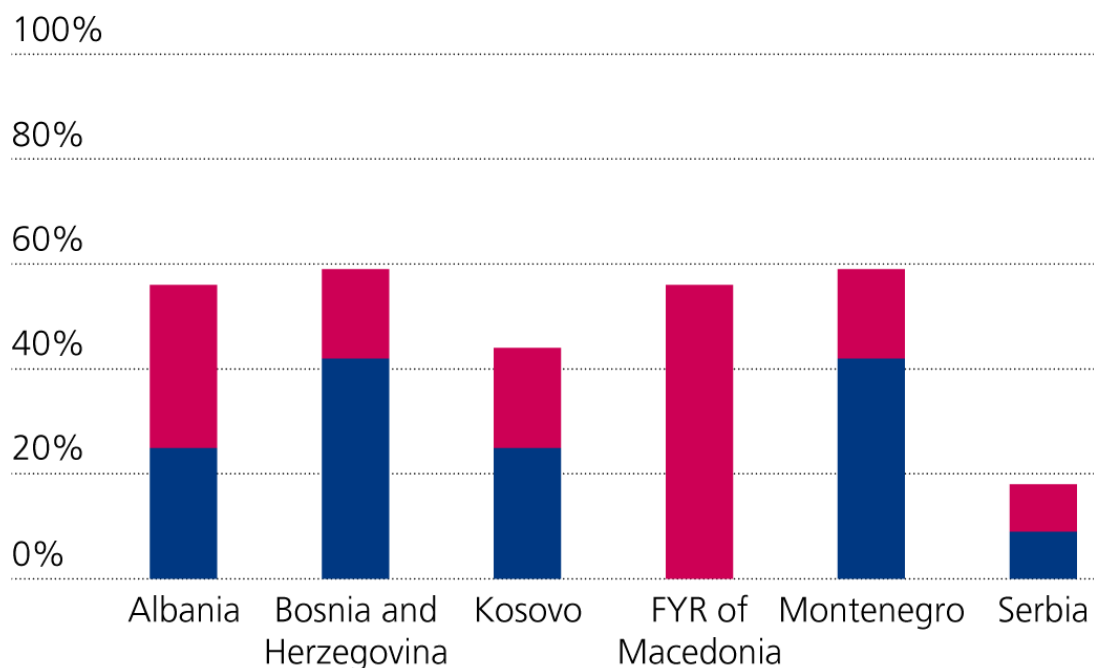
- **Balancing mechanisms operational in:**
 - ✓ Bosnia and Herzegovina
 - ✓ Montenegro
 - ✓ Serbia

- **Cross-border exchange within control blocks**
 - ✓ SHB (SI, HR, BA)
 - ✓ SMM (RS, MK, ME)

- ⇒ **National reform of balancing mechanism ongoing**
 - ✓ Kosovo
 - ✓ FYR of Macedonia
 - ✓ Albania

■ Implementation since Vienna Summit
 ■ State of Implementation before Vienna Summit

Regional Capacity Allocation



■ Implementation since Vienna Summit
 ■ State of Implementation before Vienna Summit

➤ Regional Capacity Allocation through SEE CAO, except:

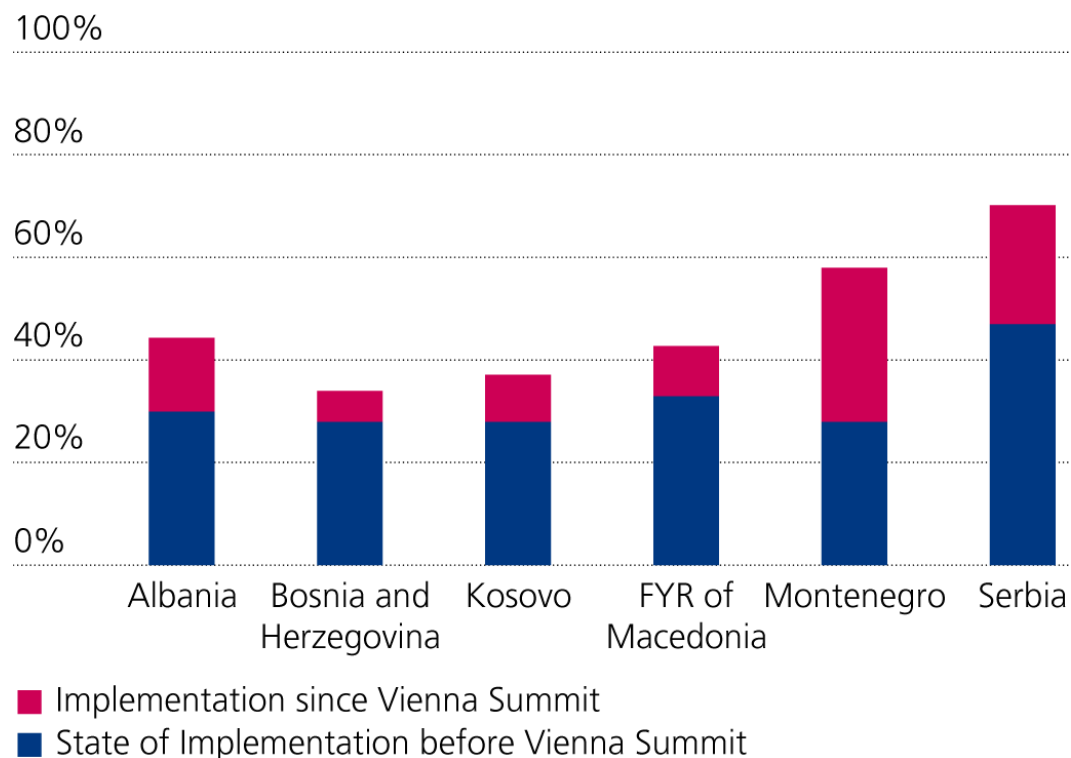
- ✓ Macedonia – joined in 2016, MK-GR border as of 2017
- ✓ Serbia in the admission process

➤ Regional Capacity Calculation

- ✓ SCC – BA, ME, RS - members
- ✓ SEE – AL, KS, MK – MoU signatories

⇒ **Regional coordination and cooperation through RSCs needs to be strengthened**

Cross-cutting measures

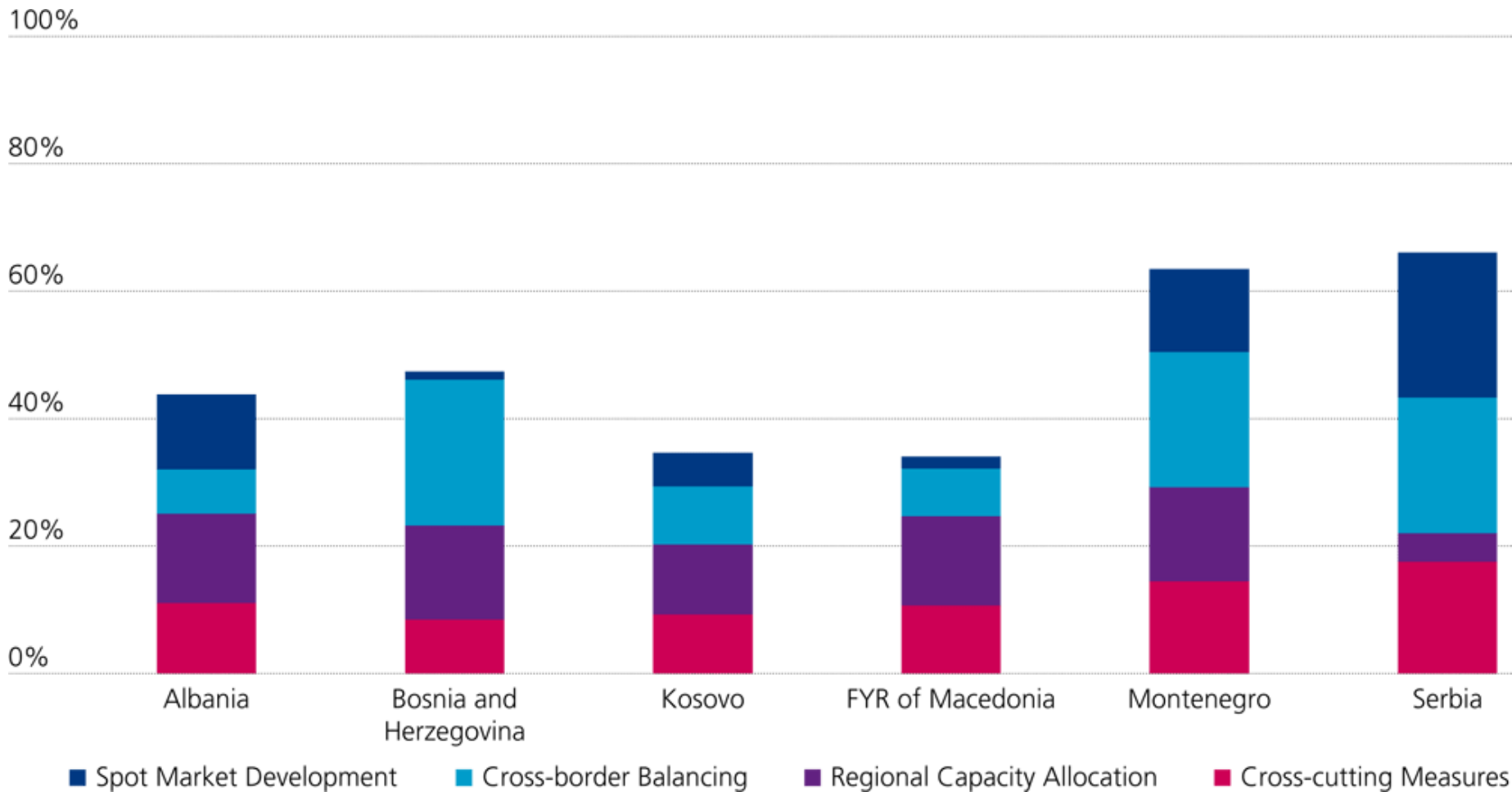


➤ **Cross-cutting measures implementation crucial for market opening:**

- ✓ Price deregulation
- ✓ TSO unbundling
- ✓ DSO unbundling
- ✓ NRA independence and observer status in ACER

➤ **Further efforts are needed in order to fully transpose and implement the 3rd Energy Package**

Overall Implementation of Soft Measures





- The Grant Contract on Technical Assistance in the Western Balkans Component 2: Regional Energy Market
- Signatories: European Union, represented by the European Commission, and the Energy Community, represented by the Energy Community Secretariat



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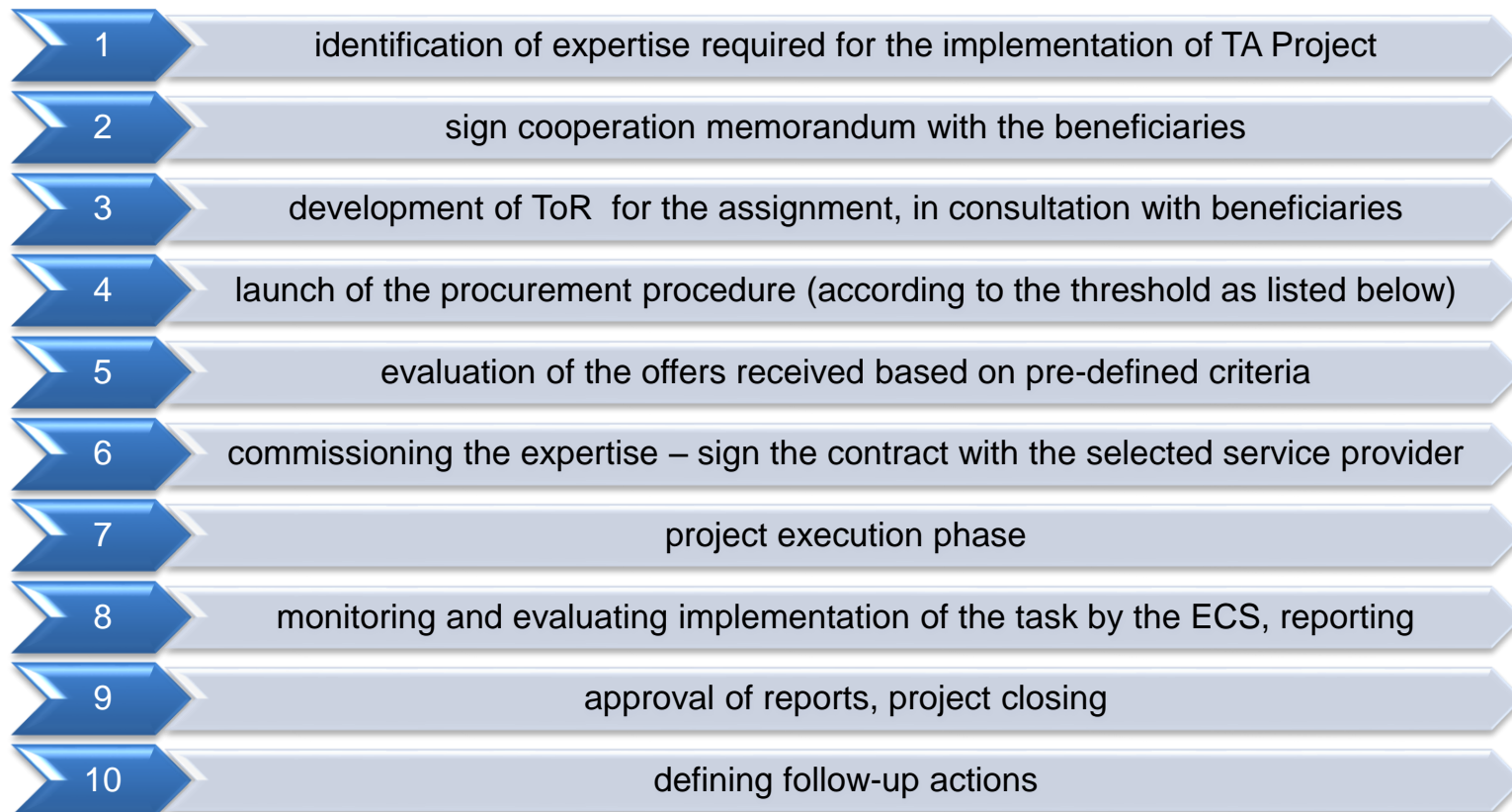
Project Outline

- **Begin date:** 7 June 2016
- **Duration:** 24 months
- **Financing:** up to EUR 1 000 000
- **Beneficiaries/Target groups:** Ministries responsible for energy, TSOs, DSOs, producers of electricity, NRAs, state aid and competition commissions, in the WB6
- **Final beneficiaries:** The citizens of the Western Balkans
- **Objective:** Creating regional electricity market
- **Work Programme:** Drafted by ECS, adopted by EC

https://www.energy-community.org/portal/page/portal/ENC_HOME/DOCS/4448414/430EA40557BA72ADE053C92FA8C08D82.pdf



Implementation of Work Programme



Implementation risks: political, economic, social

⇒ WB 6 countries to actively cooperate with the Secretariat in implementing technical assistant projects



Thank you

https://www.energy-community.org/portal/page/portal/ENC_HOME/ENERGY_COMMUNITY/Institutions/Secretariat/TA



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