
What is needed for market coupling pilots in the Energy Community



Case Study – North Macedonia

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INTRODUCTION

- Energy Community was established as an international organisation with the primary objective to extend the EU internal energy market beyond the borders of the EU to its neighbouring countries
- The signatories have committed legally and politically to support the integration of the internal market and as such to transpose the Energy Community *acquis communautaire* into national law
- Currently, the EU internal (energy) market is governed by the Third Energy Package which was implemented in North Macedonia with the adoption of the new Energy Law in May 2018
- Certification of TSO was successfully finished in 2019, MEMO Ltd - National electricity market operator was established and licensed by ERC



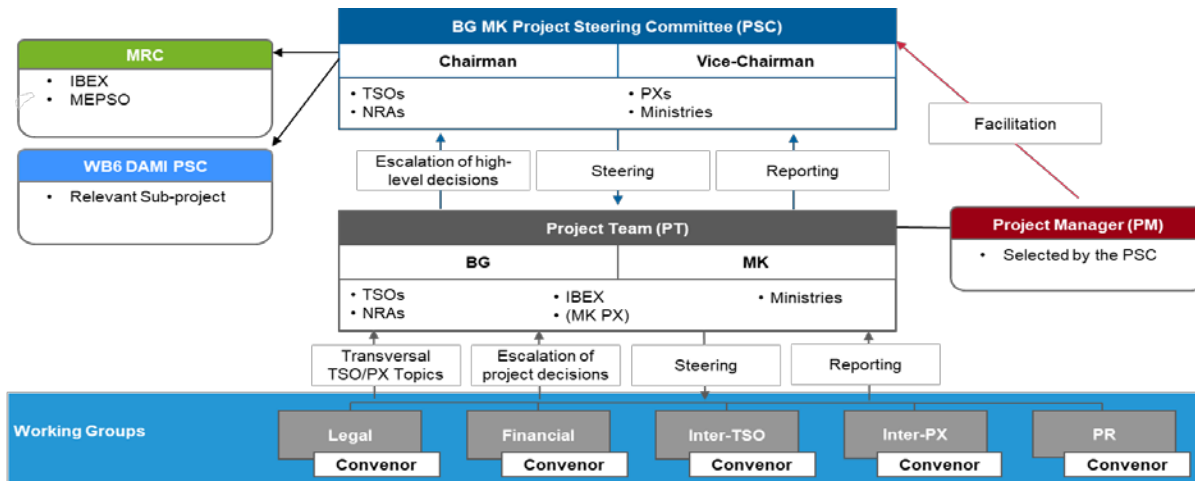
MARKET COUPLING

- Establishing the day ahead market is a project supported by the Energy Community secretariat with the WB6 initiative and its tightly connected with market coupling of day ahead electricity markets between North Macedonia and Bulgaria project. Day ahead market is enabled according Law on Energy
- Two Memorandums were signed between the Ministries in charge for energy and between the stakeholders (TSOs, PXs and NRAs) based on the European coupling initiatives
- Deliverables: Cooperation agreements, procedures, analysis and other supportive documents necessary to formalize implementation of market coupling between North Macedonia and Bulgaria, example on market coupling between one EU and Non EU country



Market coupling MK-BG project

- Project Joint Steering Committee established consisted from the Deputy Ministers for economy of North Macedonia, and Ministry of energy of Bulgaria, representatives from both TSO, ERC, BSE-Sofia, IBEX and MEMO
- Five joint working group are established: Legal, Financial, TSO-TSO, PX-PX, Communication





Market coupling MK-BG project

- Several meetings were held until now, including the kick off meeting, on the PSC and WG
- The last WG meeting for finance was in Skopje in 2020 on VAT differences and the problems with VAT that may arise in future.
- The project is in stage of Designation of MEMO to act as NEMO (this is obligation of Government of Republic of North Macedonia)
- After official designation of NEMO from the Government the working groups will continue with their work in order to deliver all the documentation, agreements, procedures and analysis in order to have functional market coupling between Bulgaria and North Macedonia



DAY-AHEAD MARKET

- Establishing day-ahead market in North Macedonia - technical assistance from EnC on operationalization of the day-ahead market
- Government of North Macedonia adopted Decree the operations of the organized electricity market operator and the necessary technical, personnel and financial requirements to be met
- Key points of the Decree:
 - the functions of the organized electricity market operator and the cooperation with the transmission system operator in achieving the functioning of the organized electricity market, including during market coupling with other nominated operators, and
 - the technical, personnel and financial requirements to be met by the nominated operator in performing its functions



DAY-AHEAD MARKET

- The Decree is in line with the Recommendation of the Energy Community Regulatory Board on regulatory measures supporting early implementation of day-ahead market coupling in the Energy Community Parties.
- The recommendation includes provision from CACM Regulation for Nominated Electricity Market Operators and Shipping and Shipping agent.
- According the Law on Energy and the Decree, Energy Regulatory Commission proposed to the Government that MEMO Ltd is eligible to establish day ahead market and to be nominated by the Government as nominated electricity market operator
- The Formal appointment will be very soon finished in the Government procedure

Thank you for the attention

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Government of the Republic of North Macedonia