

ENERGY AND WATER SERVICES REGULATORY COMMISSION
OF THE REPUBLIC OF NORTH MACEDONIA



RECENT DEVELOPMENTS

Atanasko Tuneski
Member of ERC

44th ECRB Meeting

4 December 2019, 09:30-17:30

Premises of the Greek Regulatory Authority (132 Pireos Street, Athens)



SECONDARY LEGISLATION (1/2)

- From the period of 1st of October – 1st of December 2019, ERC has adopted or approved:
 - ✓ Grid Code for distribution of electricity of Elektrodistribucija DOOEL Skopje, which was approved by the ERC on 30th of August 2019 (Official Gazette of RNM, no. 191/19) started to apply from 1st of October 2019.
 - ✓ Pricelist for services for consumers connected to the distribution system of Elektrodistribucija DOOEL Skopje, approved by ERC on 24th of October 2019.
 - ✓ Rules on the form, content and dynamics of submitting and publishing the data of TSO, approved by ERC on 12th of November 2019 (implementing Regulation (EU) 543/2013).
 - ✓ Rules for purchasing of electricity for covering the losses in the transmission system, approved by ERC on 18th of November 2019.
 - ✓ Rules for purchasing of electricity for covering the losses in the distribution system, approved by ERC on 18th of November 2019.
 - ✓ Rules amending the Electricity Balancing Rules, approved by the ERC on 20th of November 2019 (Official Gazette of RNM, no. 242/19). The Electricity Balancing Rules shall apply from 1st of January 2020.

SECONDARY LEGISLATION (2/2)

- ✓ Rules for allocation of cross-border transmission capacities, approved by the ERC on 31st of October 2019 (Official Gazette of RNM, no. 228/19).
- ✓ Rules for allocation of cross-border transmission capacities on border North Macedonia-Serbia for 2020 (Agreement on congestion management on Macedonian – Serbian border between JSC MEPSO and EMS AD Beograd, Yearly and Monthly Auction Rules for the Allocation of Cross Zonal Capacities between the Bidding Zones of EMS AD Beograd (“EMS”) and JSC MEPSO (“MEPSO”) for 2020, Daily Auction Rules for the Allocation of Cross Zonal Capacities between the Bidding Zones of EMS AD Beograd (“EMS”) and JSC MEPSO (“MEPSO”) for 2020, and Rules for the Allocation Intraday Cross Zonal Capacity between the Bidding Zones of EMS AD Beograd (“EMS”) and JSC MEPSO (“MEPSO”) for the year 2020), approved by the ERC on 5th of November 2019.
- ✓ Rules for allocation of cross-border transmission capacities on border North Macedonia-Bulgaria for 2020 (Agreement between Elektroenergien Systemen Operator EAD and JSC MEPSO, Yearly and Monthly Auction Rules for the Allocation of Cross Zonal Capacities between the Bidding Zones of Elektroenergien Systemen operator EAD (“ESO”) and JSC MEPSO (“MEPSO”), and Daily Allocation Rules of Cross Zonal Capacities on the border between the Bidding Zones of Elektroenergien Systemen operator EAD (“ESO”) and JSC MEPSO (“MEPSO”)), approved by the ERC on 5th of November 2019.

SWITCH.MK

- On 21st of November 2019, ERC launched [Switch.mk](#), the Price Comparison Tool (PCT) aimed for the households and small consumers on the domestic retail electricity market. It is expected that this web app will further empower consumers and support proper functioning of the electricity retail market.
- In the period from January to October 2019, there were 6.347 realized switches, which compared to the same period in 2018 (3.783 switches) shows significant increase by 67,8%. This figure reflects the accelerated dynamics in the retail electricity market in 2019, which is a result of its full liberalization that took place from the beginning of the year.
- By the end of November 2019 there are 35 licensed electricity suppliers and 61 licensed electricity traders. In 2019 there are 11 active electricity suppliers, out of which one supplier serves as Universal Supplier and Supplier of Last Resort, while on the wholesale electricity market there are 21 active electricity traders.
- By the end of November 2019 there are 9 licensed suppliers and 17 licensed traders of natural gas at the natural gas market. On the side of import there are 2 active traders of natural gas in 2019, while on the gas retail market there are 5 active suppliers/traders of natural gas, out of which 3 are at the same time operators of systems for distribution of natural gas.

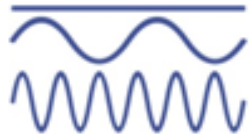
CURRENTLY WORKING ON

- ERC is preparing the Amendments of the Rulebook on monitoring the functioning of the energy markets, in order to implement REMIT.
- Annual Report for implementation of the Compliance Program of Electricity DSO -Elektrodistribucija DOOEL Skopje, submitted to ERC on 15th of November 2019.
- Plan for development of the distribution system of Electricity DSO - Elektrodistibucija DOOEL Skopje for 2020-2024, submitted to ERC on 27th of November 2019.
- Plan for development of the transmission system of Electricity TSO – MEPSO JSC Skopje for 2020-2029, submitted to ERC on 28th of November 2019.
- ERC is preparing the Tender documentation for the Supplier of Last Resort for Natural Gas in accordance with Article 139 of the Energy Law.

- Expecting Electricity Transmission Grid Code to be submitted by Electricity TSO – MEPSO JSC Skopje, implementing Network Codes.
- Expecting Electricity Market Operator – MEMO DOOEL Skopje, to submit to ERC Application for issuing status of Organized Market Operator (OMO). On 29th of October 2019 the Government adopted Decree for the operation of the OMO, including the necessary technical, staffing and financial conditions. The Decree is in line with the Recommendation of ECRB on regulatory measures supporting early implementation of DA market-coupling in the CP. According to the Article 90 from the Energy Law, OMO is a company designated or selected by the Government. The Government, on a proposal by ERC set by previous opinion by TSO, might adopt decision for designation of MO as OMO, or conduct tendering procedure with public call for selection of OMO. After the decision of the Government, ERC shall issue a license for performing MO in which are set rights and obligations of the OMO.

RENEWABLE ENERGY SOURCES

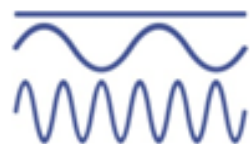
- ERC issues resolutions for temporary status of preferential producers, resolutions for status of preferential producers and decisions for using feed-in tariffs.
- Currently the total installed capacity of 196 preferential producers using feed-in tariffs is 138,743 MW:
 - ✓ installed 77,631 MW (89 small hydro power plants) and planned 36,822 MW (31 small hydro power plants are under construction);
 - ✓ installed 16,713 MW (102 photovoltaic power plants);
 - ✓ installed 36,80 MW (1 wind power plant) and planned 13,20 MW - second phase of the same wind power plants and planned 70 MW (2 wind power plants are under construction).
 - ✓ installed 6,999 MW (3 biogas plants)
 - ✓ installed 0,6 MW (1 biomass plant) and planned 2,949 MW (4 biomass plants are under construction).
- On 18th of October 2019 ERC approved the new Template of the PPA between the Electricity Market Operator (MEMO DOOEL Skopje) and the preferential producers using feed-in tariffs.
- The Energy Law introduced new mechanism for support of the renewable energy sources - a premium, which will be awarded based on a tender procedure involving an auction. Ministry of Economy had 2 tenders: one for PV on the state-owned land for 35 MW and one for PV on the private-owned land for 27 MW.



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- On 31st of October 2019 ERC submitted to the Parliament of the Republic of North Macedonia the Financial Plan for 2020, for approval. The budget is estimated to be 1.397.731 Euro.
- Currently ERC has 7 Commissioners and 21 persons employed. On 29th of October 2019 ERC issued a Decision for starting the procedure for employment of 8 persons. The entire procedure for employment at the ERC is carried out by the Agency for Administration, which means the publication of the announcement, the establishment of the Commission for selection of the candidates, the exams for administrative servants, the interviews, and the selection of the candidates.
- On 12th of November 2019 ERC adopted new Rulebook for internal organization and new Rulebook for systematization. These bylaws are submitted to the Ministry of Information Society and Administration and still pending for approval.
- On 19th of November 2019 ERC signed a Cooperation Agreement with the Energy Regulatory Office of Kosovo.
- ERC joined the project KEP- Know How Exchange Programme “CEI - Central European Initiative Support for Strengthening Energy Regulatory Authorities in the Western Balkans – third phase”. | 7 |



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THANK YOU FOR YOUR ATTENTION!



Atanasko Tuneski
Member of ERC

e-mail: atanasko.tuneski@erc.org.mk

URL: www.erc.org.mk

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