

WB6 Day-ahead Market Integration Program Road Map



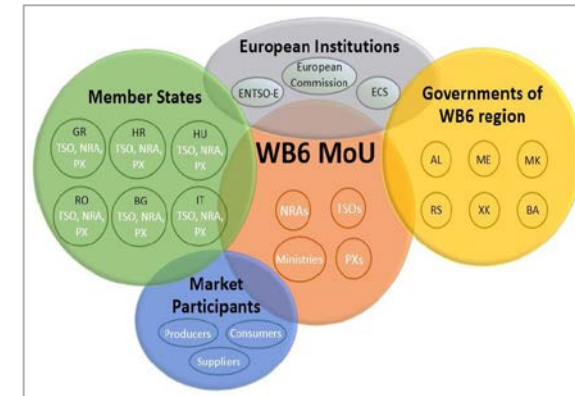
1st meeting on WB6-MRC Day-ahead Market Coupling, 27.11.2018, Vienna

Western Balkan 6 (WB6) Initiative

WB6 Programs, Stakeholders and Program Roles

- WB6 initiatives on regional electricity market development and establishing a framework for other future collaboration have broad stakeholder community.
- MoU was signed by:
 - WB6 ministries, transmission system operators, national regulatory authorities and power exchanges, and
 - 15 signatories from the neighboring EU Member States:
 - Italian Ministry of Economic Development, Italian energy regulator, power exchange GME and transmission system operator Terna
 - the Croatian Power Exchange CROPEX, the Romanian transmission system operator Transelectrica,
 - the Greek transmission system operator IPTO and market operator Lagie,
 - three Hungarian stakeholders, namely the Energy and Public Utility Regulatory Authority,
 - the Hungarian Ministry of National Development, the Independent Transmission Operator MAVIR and the Power Exchange HUPX, and
 - three Bulgarian stakeholders, the national regulatory authority EWRC, the transmission system operator ESO and the power exchange IBEX

| Internal Program Stakeholders | External Program Stakeholders |
|---|---|
| Transmission System Operators (TSOs) of WB6 region | Governments of WB6 region |
| National Regulatory Authorities (NRAs) of WB6 region | European Commission (DG NEAR and DG ENER) |
| Relevant Ministries of WB6 region dealing with energy | WB6 region neighboring Member States (Italy, Croatia, Hungary, Romania, Bulgaria and Greece) with their TSOs, NRAs, PXs |
| Power Exchanges (PXs) of WB6 region | Energy Community Secretariat (ECS) |
| | ENTSO-E |
| | Market Participants (European and WB6 region) |



Western Balkan 6 (WB6) Initiative

WB6 Day-ahead Market Integration Program Steering Committee (WB6 DA MI PSC)

- **Objectives:**
 - facilitate the regional-level activities and increase the cooperation of the WB6 MoU signatory parties among themselves and with other relevant MRC initiatives
 - govern the Day-ahead Market Integration Program in a manner that pursues WB6 defined strategic goals
 - approve, endorse, and initiate the DA MI Program through its Program Charter as well as to nominate the DA MI Program Manager
 - ensure, in cooperation with the Stakeholders, that the DA MI Program is properly funded to the degree necessary to support the DA MI Program Plan, as approved
 - take decisions to endorse authorization, initiation and closure of main DA MI Program Components/Projects
 - control progress of the DA MI Program and Component/Projects and approve Program progress reports for External Stakeholders

Western Balkan 6 (WB6) Initiative was initiated in the 2015 WB6 Summit, where the WB6 parties agreed at the highest political level to create a regional electricity market in the Western Balkans, under the leadership of the Energy Community Secretariat (ECS). To implement this goal, WB6 Ministries, TSOs, NRAs, and PXs signed the Memorandum of Understanding (MoU) on regional electricity market development in 2016 in Vienna. The WB6 MoU sets a ground for cooperation between the WB6 and neighbouring EU Member States. Under the ECS's facilitation, 15 stakeholders from all six neighbouring EU MSs signed the WB6 MoU in 2017. The process is financially supported by the European Commission through the technical assistance to a regional energy market connectivity in WB6, implemented by the ECS.



This project is supported by the European Union. The contents of this publication are the sole responsibility of the Energy Community Secretariat and can in no way be taken to reflect the views of the European Union.





WB6 Day-ahead Market Integration Program Road Map

Overview

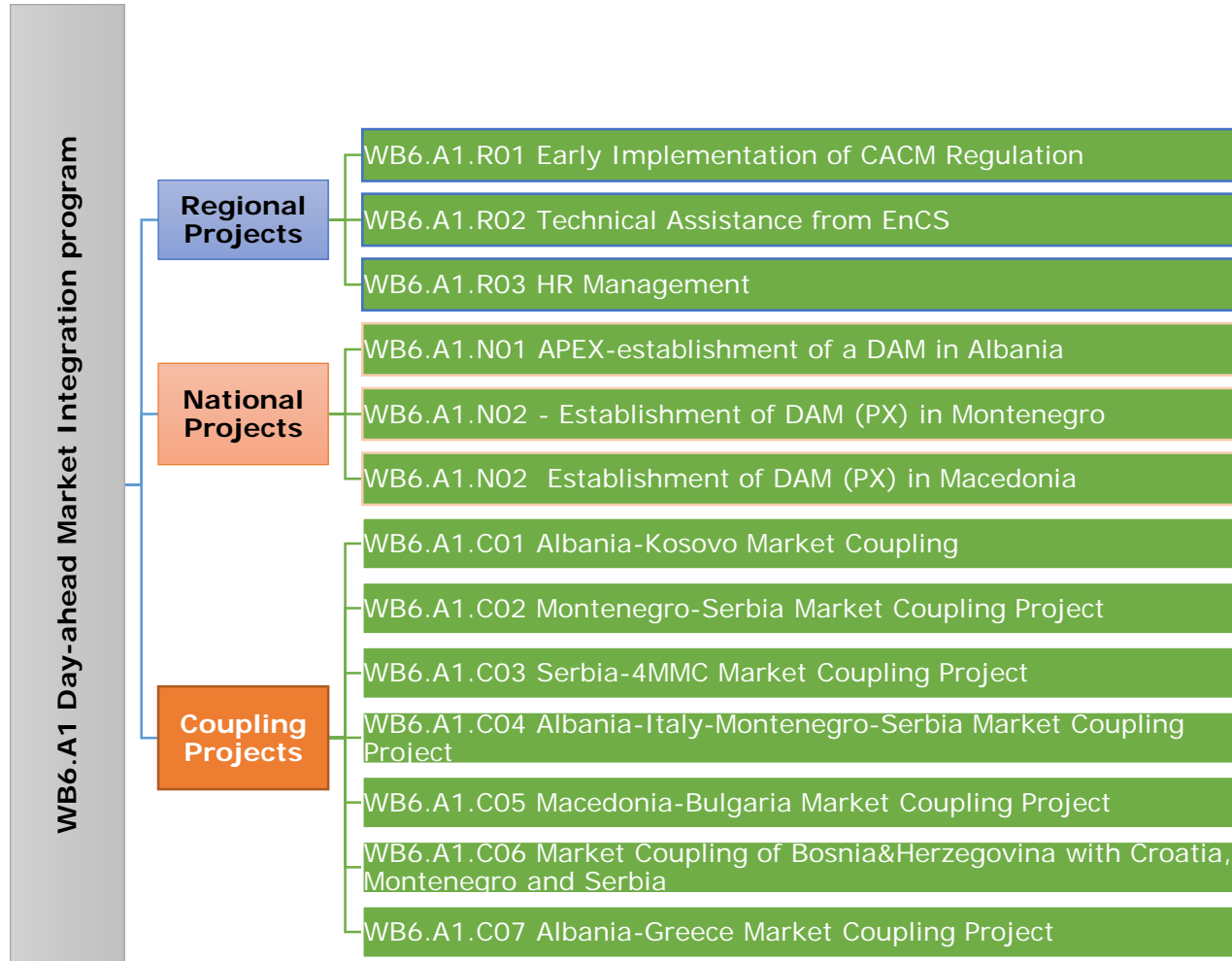
- This Program was established under the WB6 MoU Annex 1 to serve as a common day-ahead spot market program in order to develop, implement and to start the daily operation of market coupling
- The Road Map presents the work that has been completed so far, and sets the way for next endeavors under the Initiative
- From a market integration perspective, the DA MI Program can be viewed through two main phases:
 - **PXs/NEMOs Establishment:** Contract Parties aim to realize the first step towards a fully integrated regional organized day-ahead market, which is establishing their national organized day-ahead markets by setting up their own or joining an existing Power Exchange. Once the first phase has been completed, the countries can proceed towards fulfilling the ultimate goal of the DA MI Program – coupling of national organized day-ahead markets with at least one more neighboring WB6 or EU country
 - **Market Coupling:** DA MI Program can be observed through three levels – regional, national, and coupling with each having its own projects to support the stream and ultimately lead to delivering intended benefits of the DA MI Program.
- Eleven projects have been nominated in three categories – Regional, National and Coupling

Justification

This Program was established under the WB6 MoU Annex 1 to serve as a common day-ahead spot market program in order to develop, implement and to start the daily operation of market coupling to ensure a better utilization of currently available cross-border capacities, including the establishment of coordinated day-ahead capacity calculation processes, and at the same time to maintain the same level of security of operation.

WB6 MoU Annex 1 details the objective of the analysis, design and implementation of a day-ahead market integration between six countries of the so-called WB6 region, through the implementation of the most appropriate market coupling mechanism or market splitting, where more appropriate, based on the formal establishment of the DA MI Program through finalizing all relevant agreements.

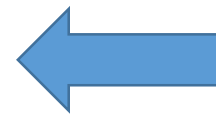
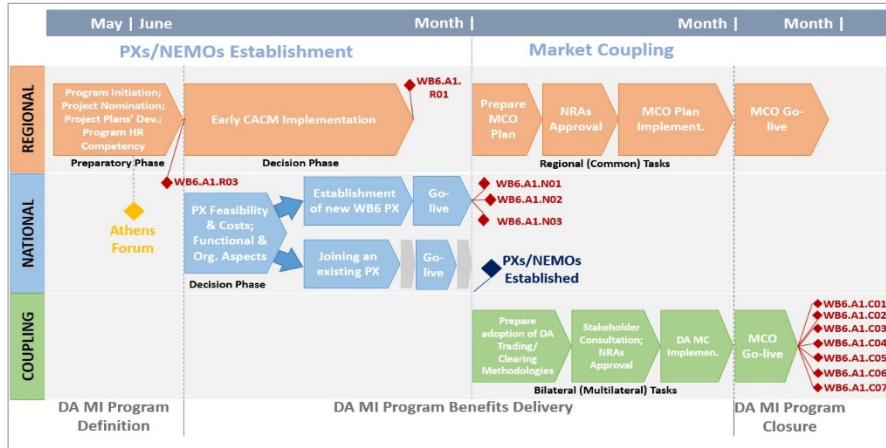
WB6 DAMI Program Road Map – Project List



Vision

The Day-ahead Market Integration Program will lead to the coupling of national organized day-ahead markets with at least one neighboring WB6 or EU country by July 2018 and the implementation of the operational agreements between the TSOs and PXs in an effort to support wider regional and European integration processes. Moreover, this Program will set up a market coupling system which is fully coherent with the system created under the CACM Regulation, ultimately leading to the final coupling of the WB6 region into the Multi-Regional Coupling (MRC).

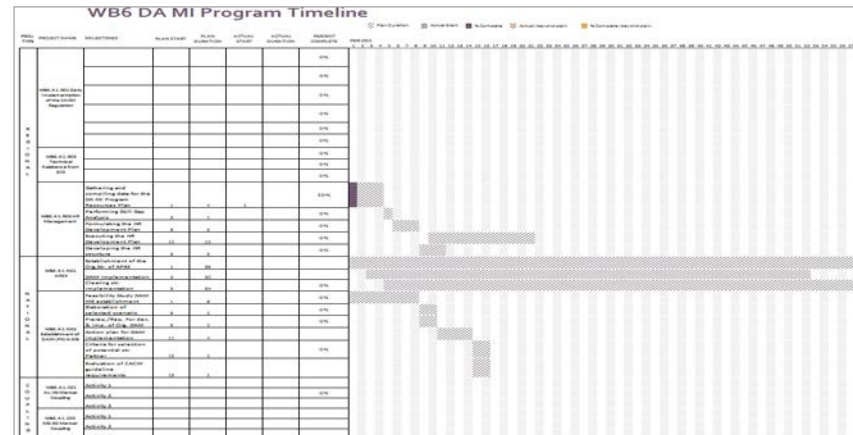
WB6 DAMI Program Road Map



Road map

The DA MI Program Road Map has two main parts:

- DA MI Program High-Level Road Map (outlining the relationship between program activities and expected benefits and provide a high-level view of key milestones)
- DA MI Program Timeline (chronological representation of the decomposed Program component (project) work)



WB6 DAMI ECS Tehcnical Assistance

| Project | Request received | Service Specificati ons | Project initiated | First deliverables achieved | Final deliverables |
|---|------------------|-------------------------|-------------------|-----------------------------|--------------------|
| APEX-establishment of a DAM in Albania | ✓ | ✓ | ✓ | ✓ | ✓ |
| Establishment of DAM (PX) in Montenegro | ✓ | ✓ | ✓ | ✓ | ✓ |
| Establishment of DAM (PX) in Macedonia | ✓ | ✓ | ✓ | ✓ | ✓ |
| EU/non-EU market coupling agreement framework | ✓ | ✓ | ✓ | ✓ | |
| AL-KS Coupling | ✓ | ✓ | ✓ | ✓ | |
| BG-MK Coupling | ✓ | ✓ | ✓ | ✓ | |
| AIMS Regulatory Coordination Platform | ✓ | ✓ | ✓ | ✓ | |
| BIH-HR Coupling | ✓ | | | | |

- The specific objective of this Project is to assist WB6 ministries, transmission system operators, national regulatory authorities and power exchanges in a preparation and implementation of projects that will lead to establishment and the efficient coupling of their national organized day-ahead markets with at least one neighboring WB6 or EU energy market.

Thank
you
for the
attention