



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



NEMO DESIGNATION IN REPUBLIC OF NORTH MACEDONIA

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Legal and Regulatory Requirements for establishment of Market Operator (MO)

- Art 88 from Energy Law prescribes that MO is legal company established by TSO.
- In October 2018 a new company, MEMO DOOEL Skopje, was established by TSO.
- In September 2019, ERC issued a license for MO to the new company.
- Before issuing the license, MO was within the TSO.
- The new MO started with operation from 1st of October 2019.
- In the meantime, ERC conducted a procedure for certification and appointment of TSO.
- A Preliminary Decision on Certification was adopted and submitted for an opinion to the ECS on 27.03.2019.
- The ECS issued and published its positive Opinion on 17.06.2019.
- ERC adopted the Decision on Certification and Appointment of the TSO of the RoNM on 15.08.2019.

Legal and Regulatory Requirements for establishment of Organized Market Operator (OMO) 1/2

- According to the art. 90 from the Energy Law, OMO is a company designated or selected by the Government
- 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.
- OMO has an exclusive right to establish and administrate the organized market through:
 - concluding agreements with the participants in the organised electricity market, with the TSO and with the NEMOs in the region, as well as publication of the data necessary for the functioning of the market;
 - implicit auction of cross border capacities;
 - creating curves of electricity supply and demand and
 - financial settlement with the organised market participants in accordance with the concluded contracts and the obtained results.

Legal and Regulatory Requirements for establishment of Organized Market Operator (OMO) 2/2

- The organised electricity market operator shall:
 - in cooperation with the TSO perform market coupling with the other NEMOs in the region;
 - ensure equal treatment of all market participants;
 - not use the fee for participating in that market for the purposes of financing activities on another organised market;
 - in cooperation with the TSO and upon prior approval by the ERC, adopt rules for operation of the organised electricity market and shall publish them on its website and
 - each year, upon prior approval by the ERC, decide on the amount of fee for participation in the organised electricity market and shall publish it on its website.

Government Decree (1/2)

- On 29.10.2019 the Government adopted Decree for the operation of the OMO, as well as the necessary technical, staffing and financial conditions to be met.
- Decree is in line with the Recommendation of ECRB on regulatory measures supporting early implementation of DA market-coupling in the CP.
- Regulation prescribes:
 - Operation of NEMO,
 - Operation of NEMO as MCO,
 - Operation of TSO within market coupling of DA and ID markets,
 - Technical, staffing and financial conditions to be met by the NEMO.
- Technical conditions:
 - Adequate resources for common, coordinated and compliant operations of DA/ID coupling, information technology, technical infrastructure and operational procedures,
 - Open access to information regarding NEMO tasks, through adopted methodologies, rules and procedures that provide equal access to all market participants,

Government Decree (2/2)

- Nondiscriminatory treatment of new market participants related to signing equal contracts as already signed contracts,
 - Establish and apply procedures for market surveillance and to apply training for monitoring that should identify and report all events that influence the market integrity,
 - To have concluded market agreements with the TSO and OM participants that regulate transparency and confidentiality,
 - To incorporate necessary technical systems for communication with market participants and coordination with the TSO.
- Staffing
 - Has employed at least 10 experts with technical and economy background related to market planning, market operations and tariffs and calculations of market operations,
 - At least one economist for financial issues.
- Financial conditions
 - To have revenues from market coupling, not to use the revenues for financing of other organized market,
 - To provide services for financial settlement and payment, to have financial assets and securities to provide necessary clearing and settlement service.
 - To have separate accounting for MCO from other energy activities.

Thank you for your attention

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