



European
Commission



EU market coupling & the Energy Community

Athens, June 17th 2020

Elaine O'Connell
European Commission – DG ENERGY



EU MARKET COUPLING – Recent Updates

Significant progress on Intraday market coupling

State of play on the Intraday developments

Single Intraday Coupling (SIDC)

• Successful 1st Go-Live Achieved 12th/13th June

• Successful 2nd wave Go-Live Achieved 19th/20th Nov 2019
 • BG, HR, CZ, HU, PL, RO, SL

3rd Wave Go-live End of Q1/2021
 Italy, Greece



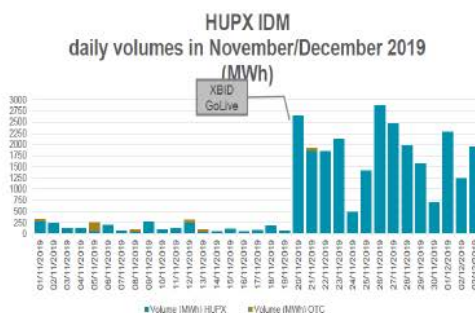
(SK requested adherence)

SIDC Single Intraday Coupling

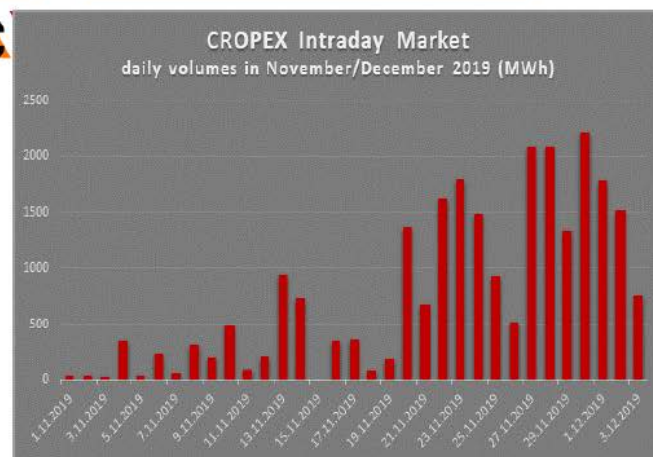


Examples of increases in Intraday Trading following 2nd Wave Go-Live

• HUPX data chart for Hungary:



• BSP data for Slovenia: 15 day average before 2nd wave go-live – 393 MWh
 15 day average after 2nd wave go-live - 1989 MWh



15 day average before 2nd wave go-live: 288 MWh
 15 day average after 2nd wave go-live: 1407 MWh

Source: Entso-E

EU MARKET COUPLING – Recent Updates

Completion of day ahead market coupling top priority

Letter sent at end of April by the Commission to TSOs and NEMO Representatives:

The DA market coupling project has been a European success, which has delivered increased security of supply, more competition, lower prices and CO2 emissions in Europe. Market coupling for DA covers the majority of EU countries while in recent years, the progress on the geographical extension of the DA coupling has been slow. The Commission has been informed via the CESEC meeting 14th of February and from TSOs about the plans for connecting the rest of the borders inside the EU. The table of expected extension dates, annexed to my letter, has been created on this basis.

Completing DA coupling remains a priority for the European Commission, especially now with a view to strengthening the European economy and to support our recovery from these difficult times. Although we understand that the circumstances for your work have changed significantly in the current pandemic situation, we do hope that you can complete the coupling projects as planned and avoid serious delays.

Discussions ongoing with SDAC Steering Committee and project parties about updating project timelines.

Market Coupling & the Western Balkans

EARLY IMPLEMENTATION > FULL MARKET INTEGRATION

Fresh boost to pilot projects between EU-EnC borders

- Recent workshops in May with ENTSOe, Energy Community Secretariat and the Commission
- Agreement to:
 - Refresh pilot project list
 - For each pilot: Project plan and mapping of any project hurdles
 - Regular contacts and good coordination
 - Reporting through CESEC channels – CESEC Plenary, High level groups and Ministerial meetings

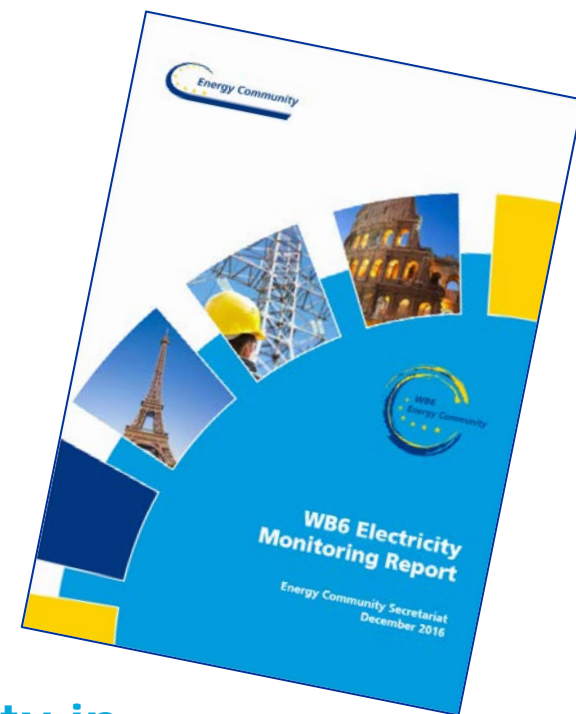
... more to come soon!

IMPORTANT TO WORK IN PARALLEL ON MARKET REFORMS

HOW TO PROCEED AT NATIONAL LEVEL?

Priorities for coordinating and implementing reform measures for WB6:

- Ensure **unbundling** is in fully in place and all conditions from certification decisions are implemented
- Establish a **power exchange** – the process is still ongoing in most of the countries
- Agree on a regional **capacity calculation methodology** – work also ongoing



... latest status for each Contracting Party in the next Electricity Monitoring Report.

LEGAL HURDLES

THE THIRD PACKAGE INTRODUCES NEW INSTITUTIONAL ARCHITECTURE



... & new legal instruments for the electricity sector:



**Network
Codes
&
Guidelines**

Both are Commission Regulations and legally binding – roles for EntsoE & ACER in their development and monitoring

Different approach for implementation:

- Network codes implemented directly at national level (e.g., Requirements for Generators)
- Guidelines require regional rules: NRAs to approve methods proposed by TSOs and/or NEMOs. Joint decision-making & arbitration role for ACER.

WHAT'S THE SOLUTION?

EARLY IMPLEMENTATION > FULL MARKET INTEGRATION

▶ Regional decisions (methodologies in Guidelines) require a mutually binding technical and legal regional framework

▶ European Commission has been working on tackling 2 key obstacles:

- ✓ Role of ACER:
 - Art 43 of the recast Regulation gives an arbitration power to ACER where it is mandated by the CPs. This is a solution tailored to address EnC-EU issues.
- ✓ Reciprocity:
 - The Commission is negotiating changes to the EnC Treaty to enable mutual obligations

SUMMARY

WORK NEEDED AT ALL LEVELS TO ENSURE MARKET INTEGRATION

▶ Market reforms for early implementation of CACM in EU & Western Balkans

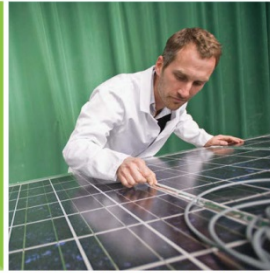
▶ Finalisation of Legal Framework for resolving issues on EU-EnC borders:

- Participation in ACER as observer
- Role for ACER where mandated by Contracting Parties
- EnC Treaty changes to enable mutual rights and obligations
 - expected to be completed by end 2020!

▶ Long-term vision for full integration >> pilot market coupling projects should progress in the meantime



European
Commission



THANK YOU!

Follow us:
[@Energy4Europe](#)
[#CleanEnergyEU](#)

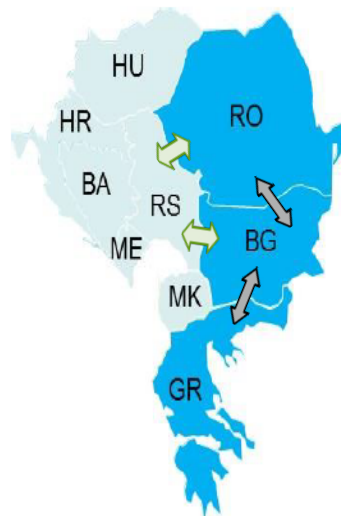


POST 2020...

EARLY IMPLEMENTATION > FULL MARKET INTEGRATION

Longer-term vision of complete integration of EnC in EU market coupling

Figure A11: Bidding zones of the CCR SEE (HU-RO and HU-HR bidding zone borders are not part of this CCR)



See ENTSO-E, CCR
proposal 2015