



Western Balkans 6

Will the CPs hit targets in time for Paris? | What stands against?

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22. The Western Balkan countries have decided to establish a regional energy market by establishing power exchanges and a regional balancing market as well as making the best use of the already existing Coordinated Auction Office. The Western Balkan countries agree on the priority list of 'soft measures' in energy covering specific national issues to implement the Energy Community *acquis* and have invited the Energy Community Secretariat to take the lead to develop the regional energy market and to help implementing these 'soft measures'. The Western Balkan countries will ensure that these issues are implemented before the next Summit in France.

- Infrastructure co-financing subject to meeting commitments
- Roadmaps and ECS monitoring

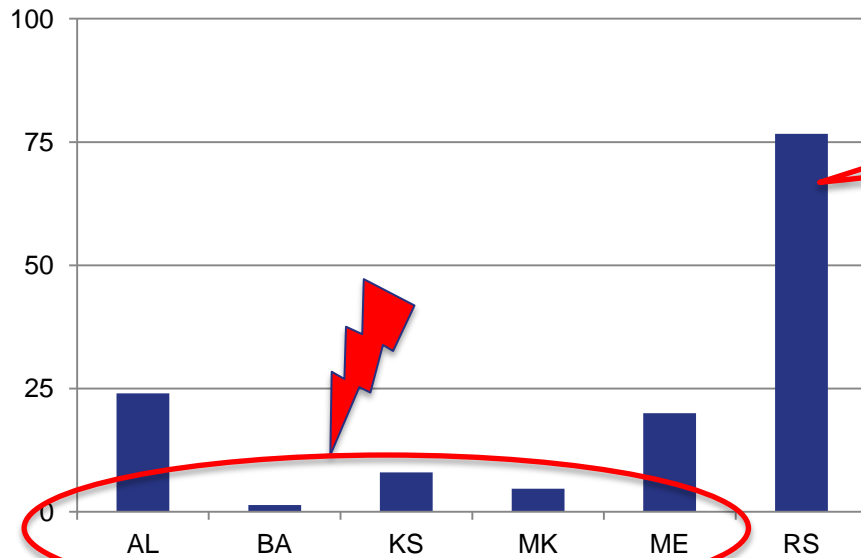
Energy Soft Measures Implementation

Measure	Albania	Bosnia and Herzegovina	Kosovo*	FYR of Macedonia	Montenegro	Serbia
Primary Law(s)						
Complementary Legal Acts						
Organised Day-ahead Market						
National Balancing Market						
Regional Capacity Allocation						
Price Deregulation						
DSO Unbundling						
TSO Unbundling						
NRA Independence						
Implementation of Inter-TSO Agreements	/	/		/	/	

Critical
 Significant delay
 Insufficient progress
 Pending
 Progress on track
 Significant progress
 Accomplished

Will targets be met? – spot markets

Spot Market Development



In most of the countries the legal & institutional fundamentals are missing for the development of spot markets

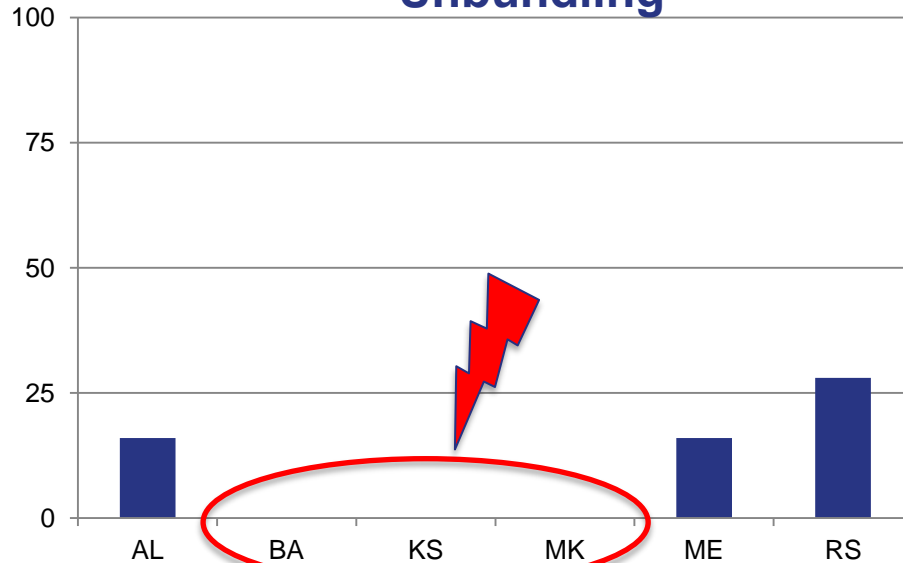
RS has made a significant step forward by launching the power exchange SEEPEX



Heterogenous developments will postpone market coupling in the Western Balkans

Will targets be met? – TSO unbundling

Transmission System Operator Unbundling



Requirements and deadlines for the TSO unbundling are missing in the Energy Law!

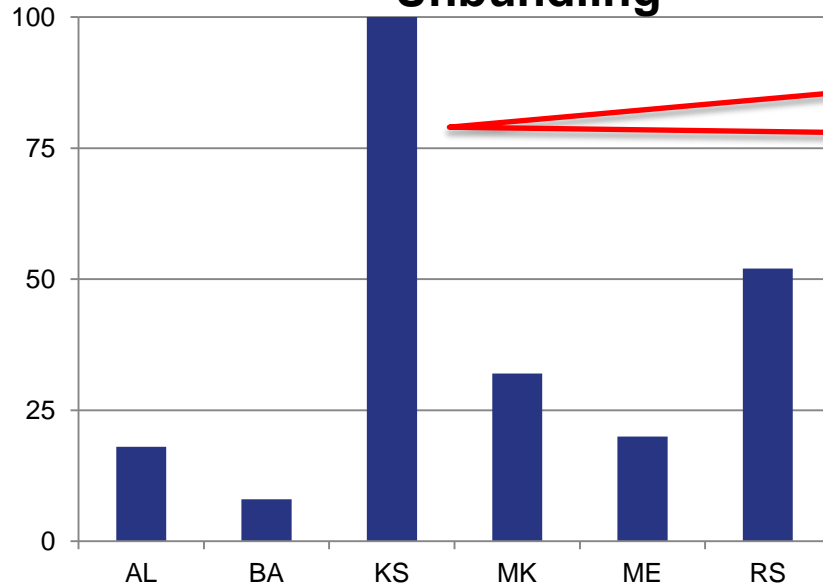


AL and RS

Implementation depends on the amendments to the laws governing the control over public enterprises

Will targets be met? – DSO unbundling

Distribution System Operator Unbundling



In KS
DSO unbundling
process completed;

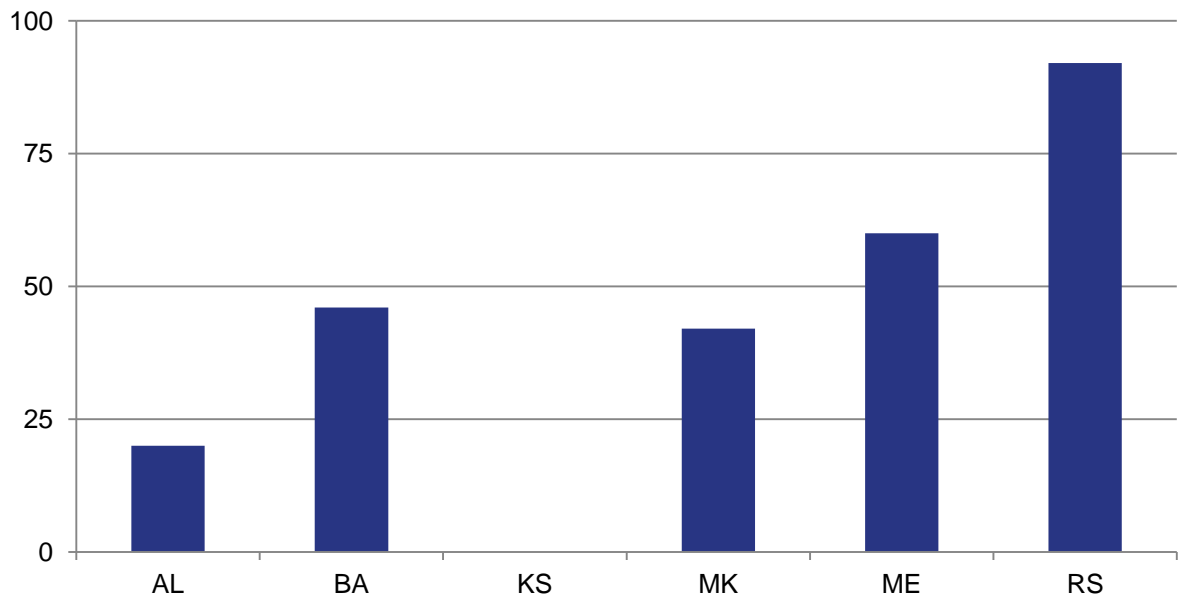


AL, BA, MK, ME and RS
Regulators shall use their
authorities to enforce legal
and functional unbundling

In most of the countries legal requirements are in place, but the implementation is missing!

Will targets be met? – price de-regulation

Price Deregulation



AL, BA, KS, MK
Regulation of electricity
price from (state-owned)
generation
companies shall be
abolished

Cross-subsidization among different categories
of customers impedes price deregulation

The background is a satellite-style image of the Earth at night, showing city lights. Overlaid on this are numerous glowing blue lines that represent energy transmission or a network, connecting various points across the globe.

Thank you
for your attention!

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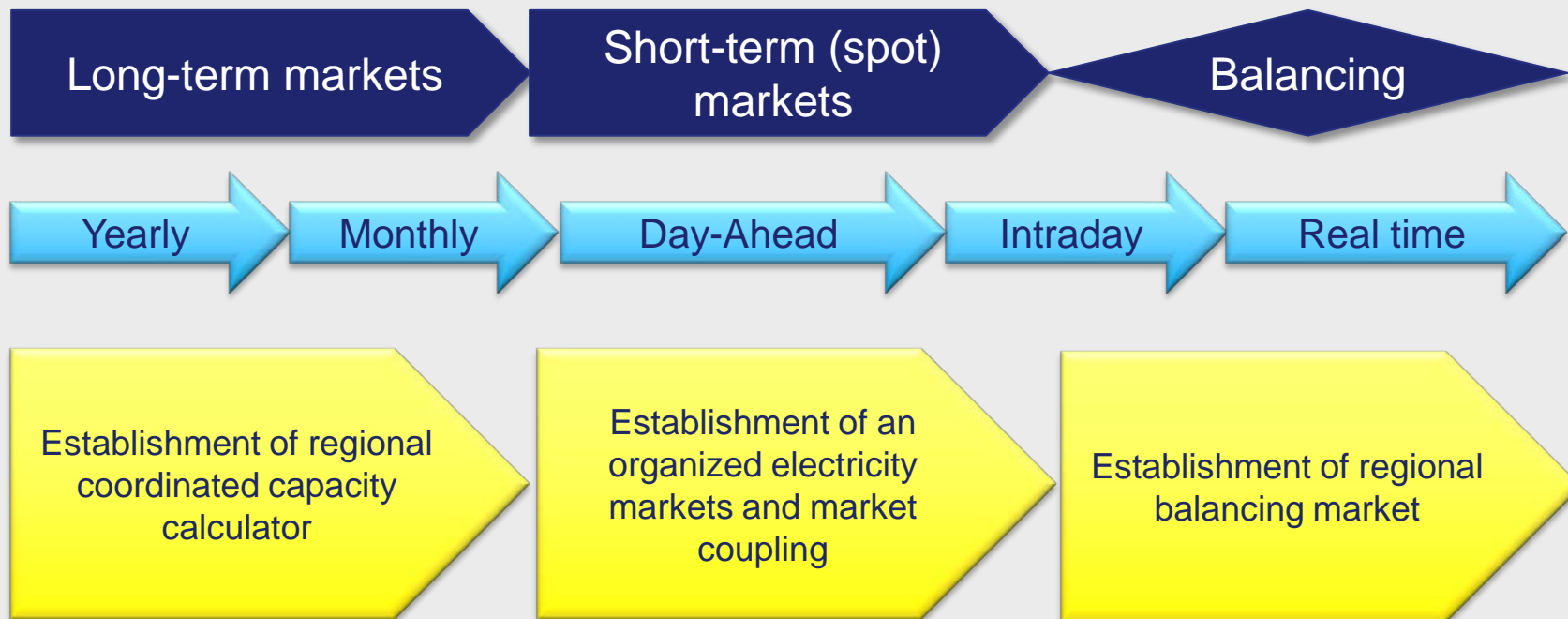
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Background slides

Investment projects



#	Reference	Beneficiary	IFI	Description / Title	Investment € million	Grant € million	Grant in %
IPA/WBIF 2015 Co-financing					538.8	144.9	27%
ENERGY PROJECTS							
1	WBIF CF 1001 ALB ENE	Albania	KfW	Albania – the former Yugoslav Republic of Macedonia Power Interconnection (I): Grid Section in Albania	70	14	20%
2	WBIF CF 1002 MKD ENE	the former Yugoslav Republic of Macedonia	EBRD	Albania – the former Yugoslav Republic of Macedonia Power Interconnection (II): Grid Section in the former Yugoslav Republic of Macedonia	49	12	24%
3	WBIF CF 1015 MNE ENE	Montenegro	KfW	Trans-Balkan Electricity Corridor (I): Grid Section in Montenegro	127	25	20%
4	WBIF CF 1003 SER ENE	Serbia	KfW	Trans-Balkan Electricity Corridor (II): Grid Section in Serbia	28	6.6	24%

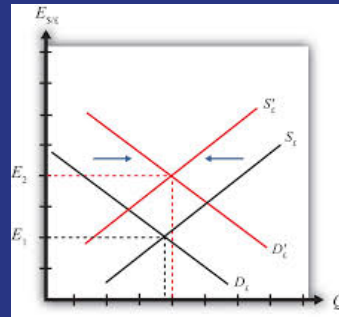


Removal of legal and regulatory obstacles

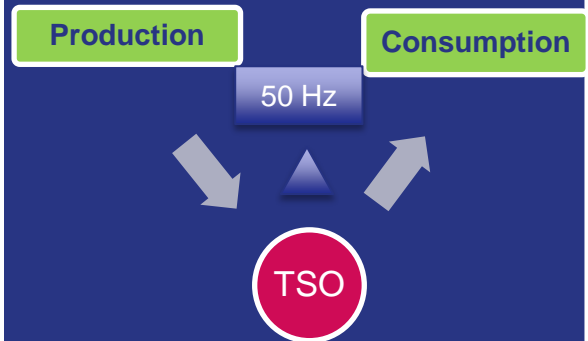
Regional Capacity Allocation



Spot Market Development



Cross-border Balancing



Cross-cutting measures

- Eliminating price regulation
- Granting eligibility to all customers
- TSO and DSO unbundling
- Ensuring independence of national energy authorities
- Applying for observer status in ACER
- Increase effectiveness of national administrative authorities
- Timely implementation of Trans-European Network Regulation