



**MARKET
OPERATOR**

/EQUILIBRIUM ENERGY/

MARKET COUPLING is a two-way street

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A LOCAL IMPLEMENTATION PROJECT AS A LOGICAL DECISION

each MS and CP has own rules regarding movement of goods, persons, services and specifics some lines

Due to it

necessity to establish local implementation projects (LIP)

LIP for market coupling process of Ukraine and Moldova (CP) with EU MS. First go-live window for CP to join SDAC and SIDC in 2025, Q4.

Eastern Europe LIP covers following borders:

- Ukraine – Poland
- Ukraine – Slovakia
- Ukraine – Hungary
- Ukraine – Romania
- Ukraine – Moldova
- Moldova - Romania



The JSC MARKET OPERATOR (UMO):

- ✓ *has obtained the observer status in the All Nemo Committee;*
- ✓ *UMO has organized DAM and IDM since July 01, 2019*

MARKET COUPLING: AN IRONIC MOMENT

for MEMBER STATES:



for CONTRACTING PARTIES:



MARKET COUPLING IS A TWO-WAY STREET

MEMBER STATES SIDE:

**EUROPEAN COMMISSION'S/ACER'S
OPINION ON THE EXTENSION OF PAN-
EUROPEAN TCM TO CONTRACTING
PARTIES:**

*pan-European TCM apply only to Member
States' (MS) market participants*

CONTRACTING PARTIES SIDE:

**IMPLEMENTATION OF ELECTRICITY
INTEGRATION PACKAGE:**

*harmonization of own energy legislation
with European energy legislation (through
development and approval of new laws or
amendments to existing laws, development
and approval of by-laws)*

BOTH SIDES:

MCO INTEGRATION PLAN:

*1) the current draft of MCO Integration
Plan severely limit possibility of EnC Nemo
to take part in all matters of importance
and therefore protect their rights and
interests if required;*

*2) the compromise draft MCO Integration
Plan is not discussed, changed or approved
from December 2023*

**SOLVING TAX, CUSTOMS, TECHNICAL
AND ORGANIZATIONAL ISSUES**

*the difference between legal regimes and
existence of border*

CHALLENGES OF CP MARKET COUPLING (1/2)

Adherence of CP to SDAC and SIDC is different from adherence of MS, due to presence of legal border and different legal regimes.

challenge	description	comments
the perimeter fee	To check whether TSO is a part of ITC mechanism	TSO need to join ITC mechanism or source to cover perimeter fee should be exist (i.e. TSO`s fees)
CBAM	since January 01, 2026 MS shall apply CBAM when importing carbon-intensive goods into the customs territory of the EU from third countries	derogation from CBAM for CP until 2030; since 2030 applying Guarantees of origin; should be kept in mind market coupling is not a single precondition for derogation

CHALLENGES OF CP MARKET COUPLING (2/2)

Adherence of CP to SDAC and SIDC is different from adherence of MS, due to presence of legal border and different legal regimes.

challenge	description	comments
GDPR; critical infrastructure security rules; IT security rules	GDPR, critical infrastructure security rules; IT security rules are not a part of CP legislation	to apply it contractually
own custom and tax regime	each MS and CP has own specific rules regarding custom and tax	to apply it contractually
specifics of the grid	The peculiarities of the grid to be analyzed on case by case basis. For example: Ukrainian Dobrotvir-Zamosc line which connects Ukrainian TPP with Polish grid.	Ukrainian solution is to exclude such line from coupling or to change topology of the network

Other challenges that will be identified by Parties to the LIP