

Drivers and obstacles for market integration in SEE

**role and capacity of NRA and ECRB and possible
outcomes of the integration process**

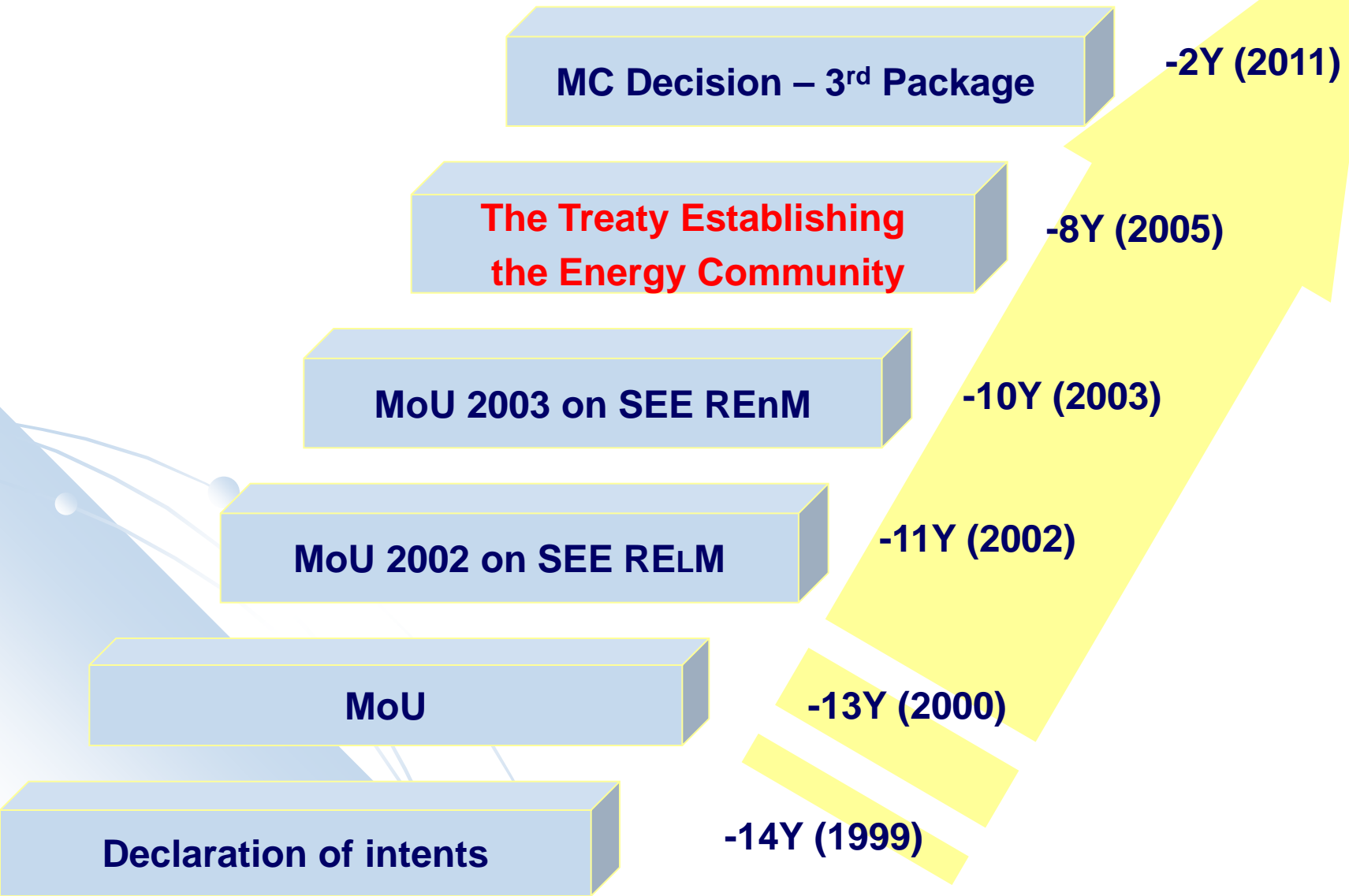
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**Workshop “A possible way forward to a well-integrated and competitive
electricity market in South-East Europe”**
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Establishing the SEE REM

- The Athens Process -

2013



Key drivers for SEE market integration...

- **EU energy policy**
 - EU External Policy → The Pan-European Energy market
 - Policies of SEE EU MS
- **The EU accession process of SEE countries**
- **The Treaty Establishing the EnC**
 - Implementation of the energy acquis in the CPs (level playing field), **including the 3rd Package and the Network Codes**
 - Establishment of the SEE REM
 - Establishment of the Pan-European energy market
- **Practical value for SEE countries. Market integration:**
 - Enables meaningful competition
 - Improves investment climate (volume and regulatory risks)
 - May enhance security of supply
 - Supports RES integration

...and a few concerns

- **What is the SEE REM?**
 - **SEE WMO RAP/LAP (broadly establishing relation of SEE with the EU target market model)**
 - **CACM NC- mandatory application in SEE**
 - **SEE CAO (scope of works, link to EU)**
- **Harmonization/cooperation/governance**
 - **Compatibility of market arrangements (SEE/SEE-EU)**
 - **Adequacy and effectiveness of SEE NRA cooperation**
 - **TSO cooperation**
- **Top- down governance- MM, TYNDP, TPA Ex.**
- **Capacity and powers of NRA**
- **Generation and transmission adequacy**

How could the regulators help - the role of NRA

- **CP NRA - “Cleaning own backyard”**
 - Develop capacity for 3rd package implementation
 - Fostering implementation of the RAP (e.g. bilateral coordinated auctions)
 - Considering FG & NC when developing national rules
 - Facilitating investment in infrastructure
- **EU MS NRA - “SEE REM flagship”**
 - Contributing to ECRB WG work on SEE market integration. Filling the information gap btw. SEE and ERI
 - Promote SEE visibility in ACER
 - Technical exchange programs (TAIEX, twinning...) 5

How could the regulators help - the role of the regulators

- **ECRB – focus on market integration**
 - Facilitate seamless implementation of NC
 - Prioritize implementation of the SEE WMO RAP. Maintain close coordination with ENTSO-E RG SEE
 - Shift from theory to practice- decide on SEE market monitoring and licensing harmonization
 - Advisory role to PHLG/MC- open the toolbox
 - Support the work of the Strategy TF- PECCI
- **ACER**
 - Raise awareness on topics of common interest (ITC, TPA exemptions, market coupling)
 - Enhance information exchange with SEE NRA/ECRB

SEE REM - possible outcomes

- **Scenario “Titanic”- Enhanced status quo**
 - Equivalent to EU 27 after 2nd package implementation (no market integration)
 - Costs incurred, benefits missing
- **“Mission impossible”- SEE REM (regional solution)**
 - 3 market areas in Europe- EU 28/ SEE REM/ Mol-Ukr
 - SEE: One stop shop for LT & DA cap./ en. auctions
- **Pan-European electricity market**
 - SEE WMO RAP fully implemented
 - One stop shop for LTCA
 - DA: National/ sub-regional PEXs established and coupled

Thank you!

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