

# Drivers and obstacles for market integration in SEE

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

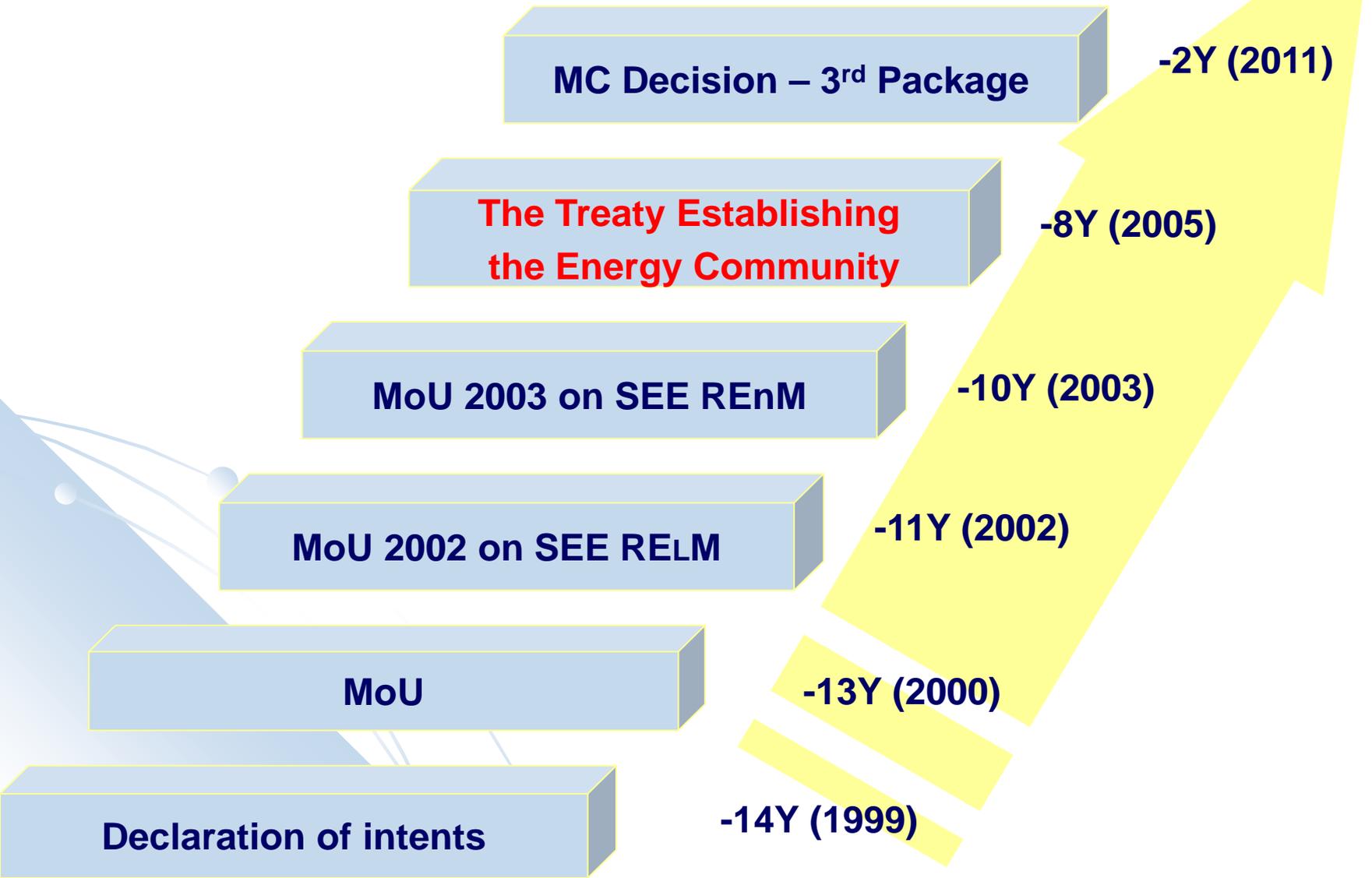
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Workshop “A possible way forward to a well-integrated and competitive  
electricity market in South-East Europe”  
Rome, 19<sup>th</sup> April 2013

# 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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 2<sup>nd</sup> 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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