

**Energy Regulatory Agency of Montenegro**

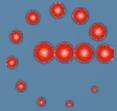
## Round-table 1

# Electricity Market Design in South East Europe

- Integration of Montenegro Electricity Market into the Regional Electricity Market of SEE -

Branislav Prelevic

Rome 19. April 2013.



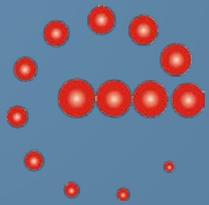
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Adequate national energy market as a pre-request of well organized Regional Market

Adjusting the Energy Sector in Montenegro:

- adoption of first Law on Energy in 2003
- participation in Energy Community in 2005
- establishment of the Energy Regulatory Agency
- unbundling of TSO
- privatization of the energy sector
- establishment of market operator
- adaptation of new Energy Law in 2010
- hosting Coordinate Auction Office

Long road is ahead



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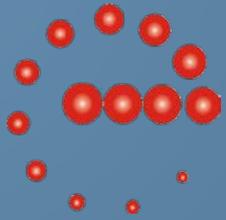
Challenge for both sides EU & New members

REM - Lessons from the past – two basic principles

1. Regional institutions are crucial
2. Technical and regulatory standards must be harmonised

NEM - Energy market must provide an environment:

1. Providing competitiveness and investment opportunities
2. Allows formation of transparent short (day-ahead) and long-term price (forward curve) that reduce risks and presenting incentive signals to investors,
3. Ensure transparent and non-discriminatory transfer of qualified customers among suppliers
4. Providing liquidity of the energy market
5. Allowing efficient transparent and non-discriminatory allocation of cross border capacity
6. Disable entry barriers of new participants into the market due to long and extensive administrative procedures and
7. Disable market concentration in the manner of "vertical integration" between suppliers and generators at regulated prices that are not clearly defined



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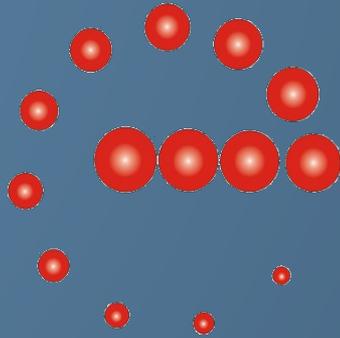
## Main Risks

Formal Transposition of EU Acquis is not enough just for itself

Montenegro macroeconomic and social policy

Development of energy policy of EU

Development of regional market and regional investment projects



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Thank you for attention