

Coordinated Auction Office in South East Europe

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Summary

1. SEE CAO
2. Electricity Network Codes
3. Future development

1. SEE CAO - Introduction

- Project commenced in 2012 as Project Team Company SEE CAO
- Registration of SEE CAO – 1st April 2014
- Seated in Podgorica, Montenegro
- Shareholders (SEE TSOs):
 1. HOPS
 2. NOS BIH
 3. CGES
 4. KOSTT
 5. OST
 6. MEPSO
 7. IPTO
 8. TEIAS



1. SEE CAO – Accomplishments

- Go – Live in November 2014
- First coordinated auctions in SEE
- 4th year of continuous successful performance of yearly, monthly and daily auctions
- Good cooperation with stakeholders

96

Participants

6

Borders

47

Long Term Auctions

1272

Daily Auctions

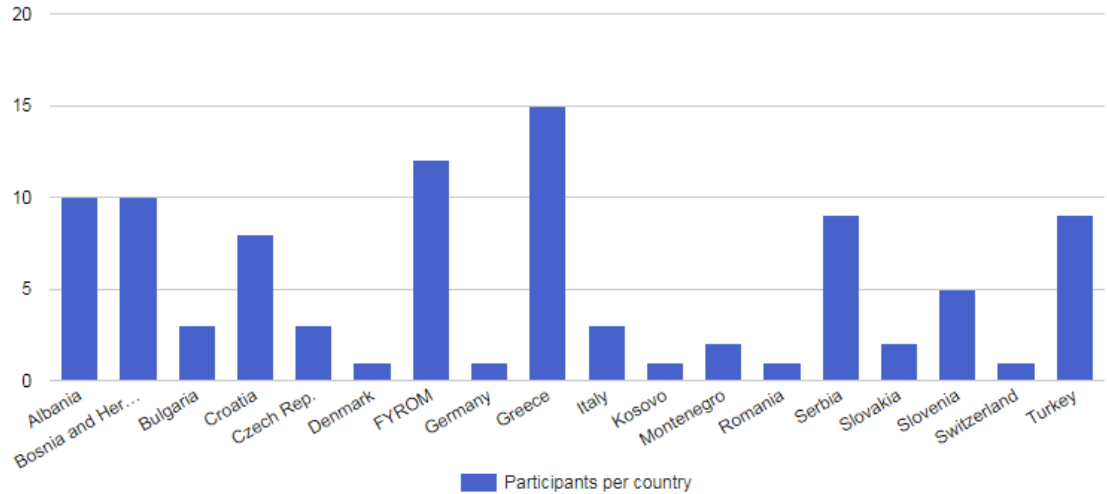
1. SEE CAO – Harmonised auctions

- Harmonised Allocation Rules – from Jan 2018
- NTC approach
- Explicit Long Term auctions
- Explicit Daily auctions
- 7 Service Users
- Allocation on 6 SEE borders



1. SEE CAO – Auction Participants

- 96 registered trading companies
- 18 countries
- Positive feedback
- Good cooperation



1. SEE CAO – Transparency

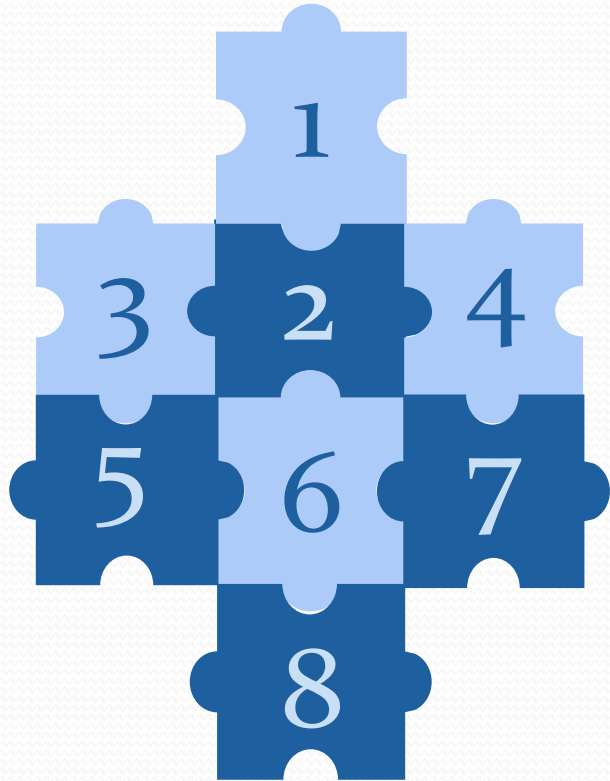
ENTSO-E Transparency platform

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- Regulation (EU) No 543/2013
 - Providing data to ENTSO-E Transparency Platform – from Jan 2015

REMIT

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- Regulation (EU) No 1227/2011
 - Reporting for EU borders since 12.08.2016.

1. SEE CAO – Accomplishments



1. Establishment of SEE CAO presents first successful regional project in SEE electricity market
2. SEE CAO performs coordinated auctions between participating TSOs
3. Common Auction Rules and procedures are applied on all borders
4. Participation procedures are harmonized for all traders
5. SEE CAO enables compliance with EU regulations to participating TSOs
6. New products in auctions for capacity allocation are introduced
7. Transparency in capacity allocation is increased
- 8. Improvement in Electricity Market**

2. Electricity Network Codes (ENC)

FCA

**Forward
Capacity
Allocation**

CACM

**Capacity
Allocation and
Congestion
Management**

EB

Balancing

2. ENC- FCA guideline

- REGULATION (EU) 2016/1719 on establishing a guideline on forward capacity allocation
 - Rules on cross-zonal capacity allocation:
 - Forward markets (Yearly, monthly)
 - PTR or FTR (option/obligation)
 - Explicit auctions, marginal price
 - Daily allocation – subject of CACM
 - Creation of Harmonised Allocation Rules by the TSOs

2. ENC - FCA in SEE

EU Member States

- FCA binding from Oct 2016
- FCA early implementation EU
 - Jan 2016 with EU HAR
- 'best practice'

Non-EU countries:

- FCA still not binding
- FCA early implementation SEE
 - Jan 2018 with SEE CAO HAR set of rules
- once adopted in Energy Community acqui - binding for Contracting Parties

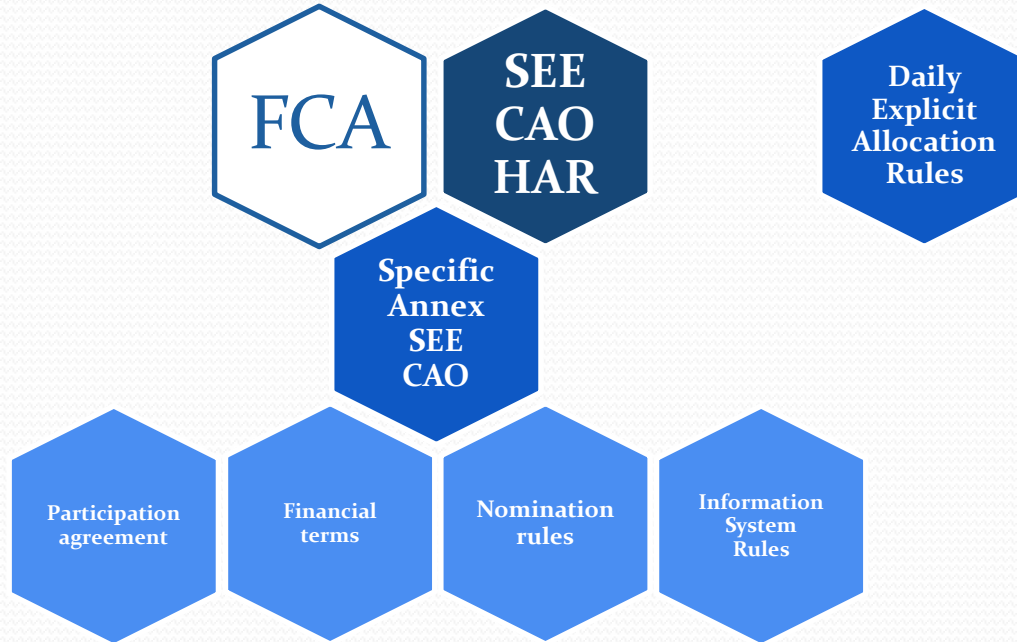
2. ENC – Harmonised Allocation Rules

- EU TSOs prepared Harmonised Allocation Rules following the guidelines in FCA
 - ONLY forward markets –
 - yearly and monthly auctions
 - Secondary market (transfer, return)
 - UIOSI
 - Compensation regimes (curtailments)

2. ENC– HAR in SEE CAO

- Early implementation during 2017:
 - Decision of SEE CAO BoD
 - Establishment of working group – Ad hoc task force SEE HAR by SEE CAO and ENTSO-E Regional group SEE
 - Preparation of SEE CAO HAR set of rules
 - Approval of SEE CAO HAR set of rules by SEE NRAs
 - Allocation Tool setup – DAMAS HAR upgrade
 - Application of SEE CAO HAR set of rules started in November 2017, with Yearly auctions for 2018

2. ENC - SEE CAO HAR set of rules



2. ENC - CACM

Daily allocation in SEE CAO:



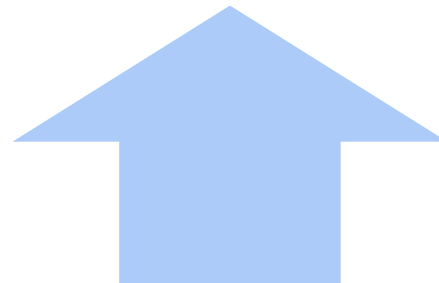
Until CACM implementation:

- Explicit daily auctions
- Performed by SEE CAO

CACM implementation in SEE

Upon CACM implementation:

- Implicit daily auctions (PX/MC)
- 'Shadow' explicit D auctions in SEE CAO



3. Future development and regional cooperation

- Grid development between current Service users will increase the number of SEE CAO borders
- SEE CAO remains open for inclusion of other TSOs





Thank you for your attention!

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