

Greek Energy Exchange & Electricity Market

Vasilis Rallis
RAE

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1. Current Situation

Industry in transition...towards a more competitive structure for the benefit of the customer

- **NOME**
- **Ownership Unbundling for Transmission Operators : new investors in ADMIE (2017) & DESFA (pending 2018)**
- **PPC: sale of lignite plants + reduction in Retail Market Share**
- **RES (new mechanism FiP)**
- **Liberalization of the Non Interconnected Islands (NII) Market**
- **Natural Gas Market under transition: unbundling of distribution and retail**
- **Enhanced level of competition in retail markets (bundled electricity and natural gas products)**

2. Target Model

Transition to Target Model...requires change of approach

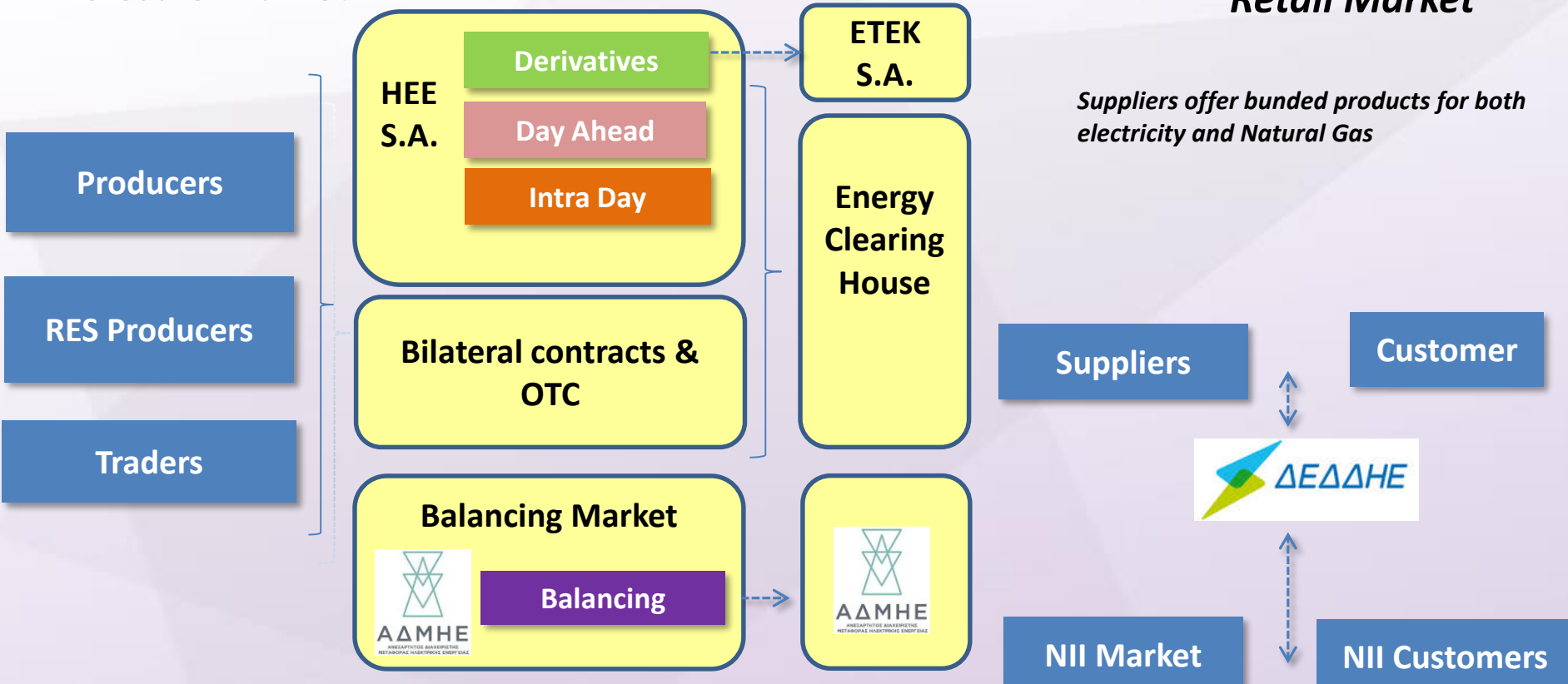
- **Change of industry structure within a relatively short time frame**
- **Creation of Hellenic Energy Exchange + Energy Clearing House**
- **Coupling with Italy, Bulgaria**
- **Flexibility of Units**
- **Efficient Risk Management**
- **Financial Products**

2. Target Model Structure

Wholesale Market

Clearing + Settlement

Retail Market



Suppliers offer bundled products for both electricity and Natural Gas

Suppliers

Customer



NII Market

NII Customers

Market liberalization of Crete and Rhodes

1. Bilateral Contracts
2. Enhancement of transactions and clearing time periods
3. Introduction of financial products
4. Market structure evolving in a more competitive direction

3. Compliance with Directives

Hellenic Energy Exchange



	<i>Physical Delivery</i>	<i>Cash Settlement</i>	<i>Spot Αγορές</i>
<i>Regulator</i>	HCCM		RAE
<i>Trading</i>	Mifid II, MAR, MAD		REMIT
<i>Clearing</i>	EMIR		REMIT
<i>Settlement</i>	EMIR		REMIT
<i>Clearing House</i>	EMIR		REMIT

4. Energy Exchange

➤ Transparent Price Mechanism

➤ Flexibility

- hedging and Bilateral Contracts
- Products: Electricity, Natural Gas, Green Certificates

➤ Efficient Risk Management

- Clearing House
- Credit Cover
- Clearing & Settlement

➤ Competitive charges

Increased
liquidity
and
Transparency

4.1 Key Regulatory Principles

- Transparency, market power mitigation
 - *unit base participation for conventional units in all markets expect for portfolios being allowed in the Derivatives Market and for RES*
- Robust and Smooth Transition -> Central Dispatch
- Security of Supply -> Mandatory participation for Generators in the Day Ahead and Balancing Markets
- Generators -> change in bidding strategy
 - *the operational profile of plants and all cost components need to be incorporated into generators' orders*

4.2 Key Regulatory Principles

- Cap on hedging ration in Derivatives Market
 - Regulatory Decision
- RES Participation
 - FiP: Mandatory participation in Day Ahead and Intraday, Portfolio, Aggregators
 - FiT: Participation through RES Operator
- NOME Products incorporated
- Technical aspects regarding balancing and ancillary services
- Compliance of financial and physically delivered products (REMIT, EMIR, Mifid II, MAD, MAR)

5. RAE Decisions & Timeline

Based on Supplement MOU



Thank you for your attention