



Issues concerning “The urgent completion of a fully functioning and interconnected internal energy market...” arising from:

**COMMISSION REGULATION (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management**

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**Belgrade - 12 June 2017**



# COMMISSION REGULATION (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management:

(5) ...Single day-ahead and intraday coupling ensures that power usually flows from low- price to high-price areas.

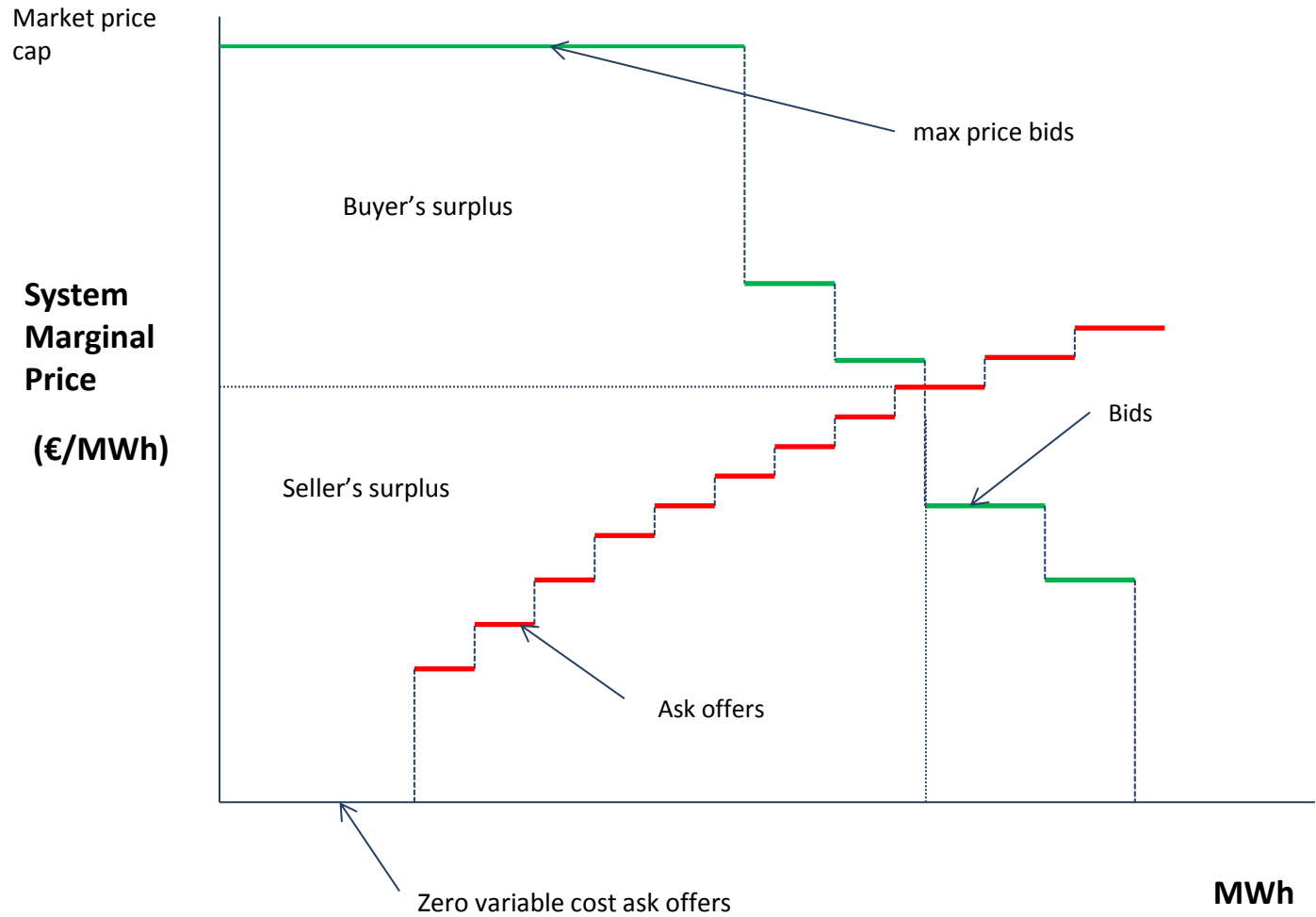
## **Article 38: Objectives of the price coupling algorithm**

1. The price coupling algorithm shall produce the results set out in Article 39(2), in a manner which:

- (a) aims at maximising economic surplus for single day-ahead coupling for the price-coupled region for the next trading day;
- (b) uses the marginal pricing principle according to which all accepted bids will have the same price per bidding zone per market time unit;
- (c) ...

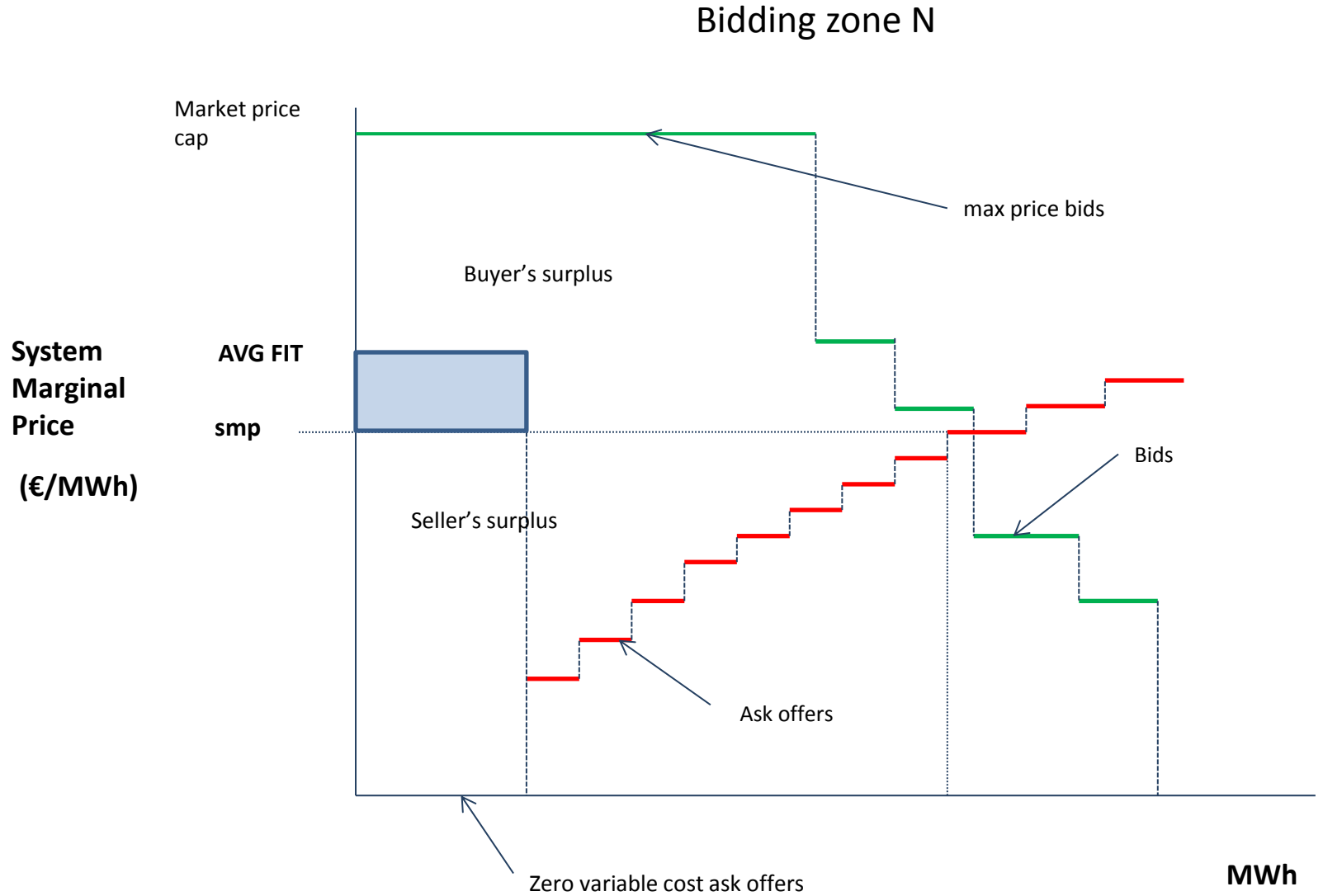


# Maximising the economic surplus (1/3)





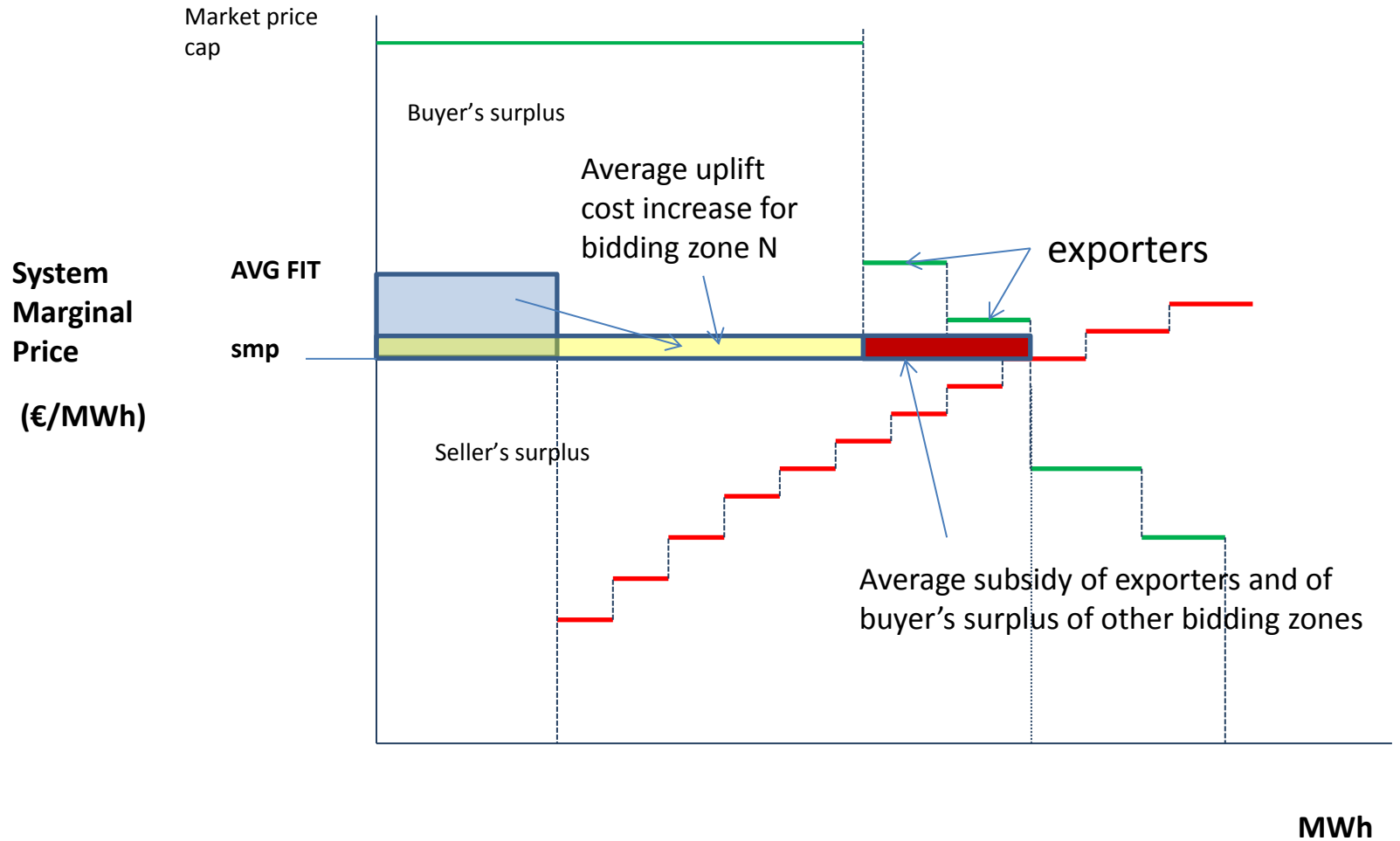
# Maximising the economic surplus (2/3)





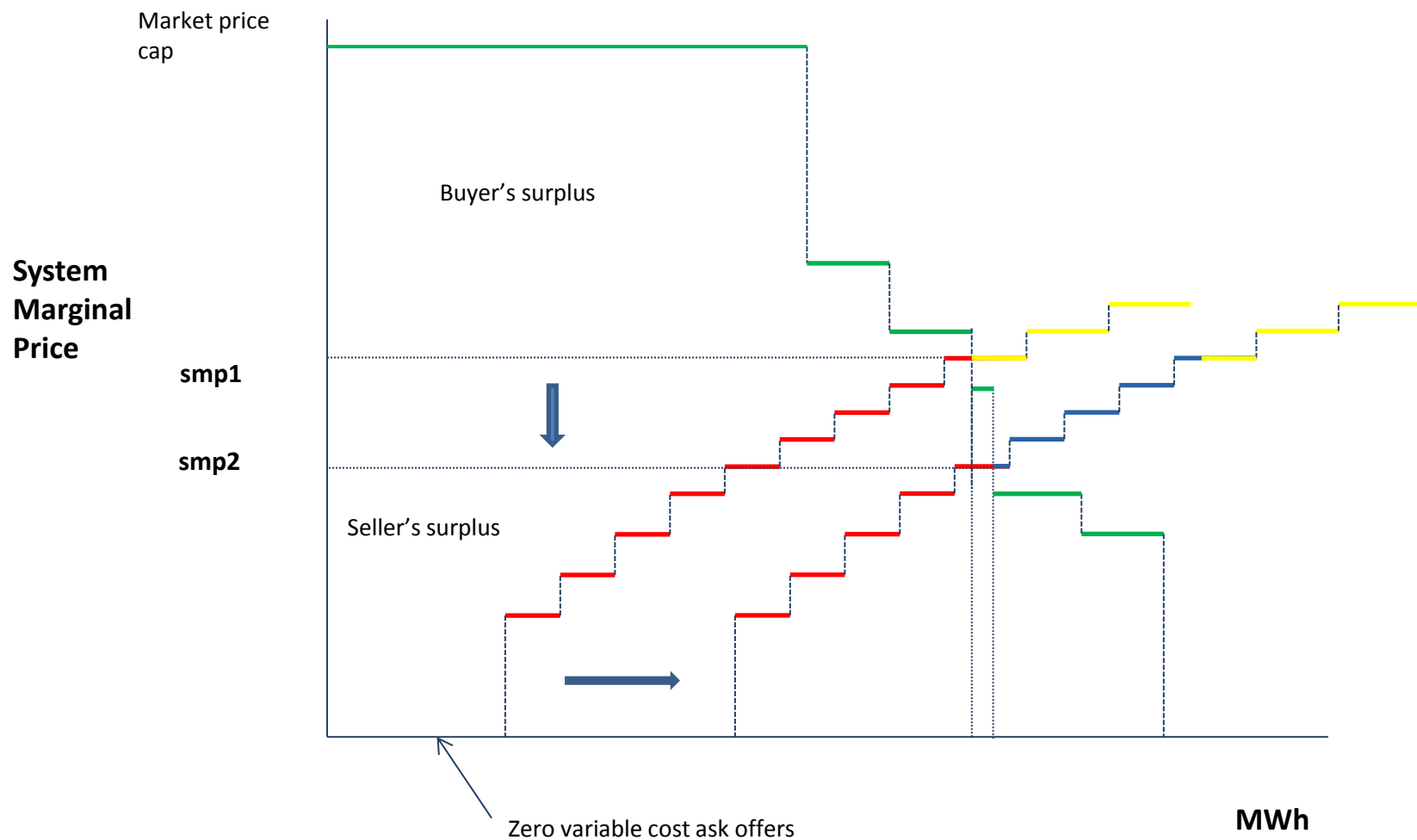
# Maximising the economic surplus (3/3)

## Bidding zone N



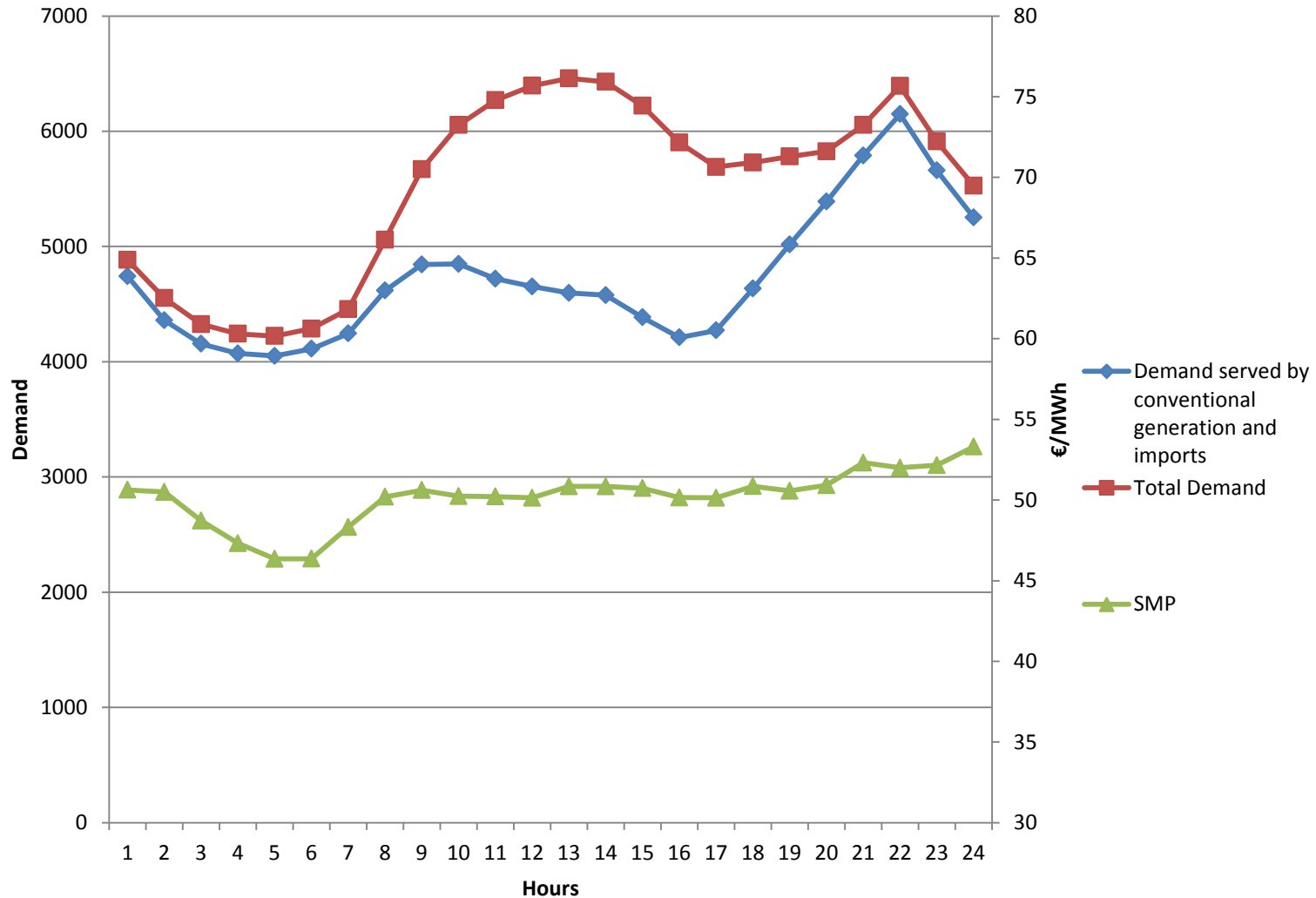


# Incentivising RES penetration (1/3)



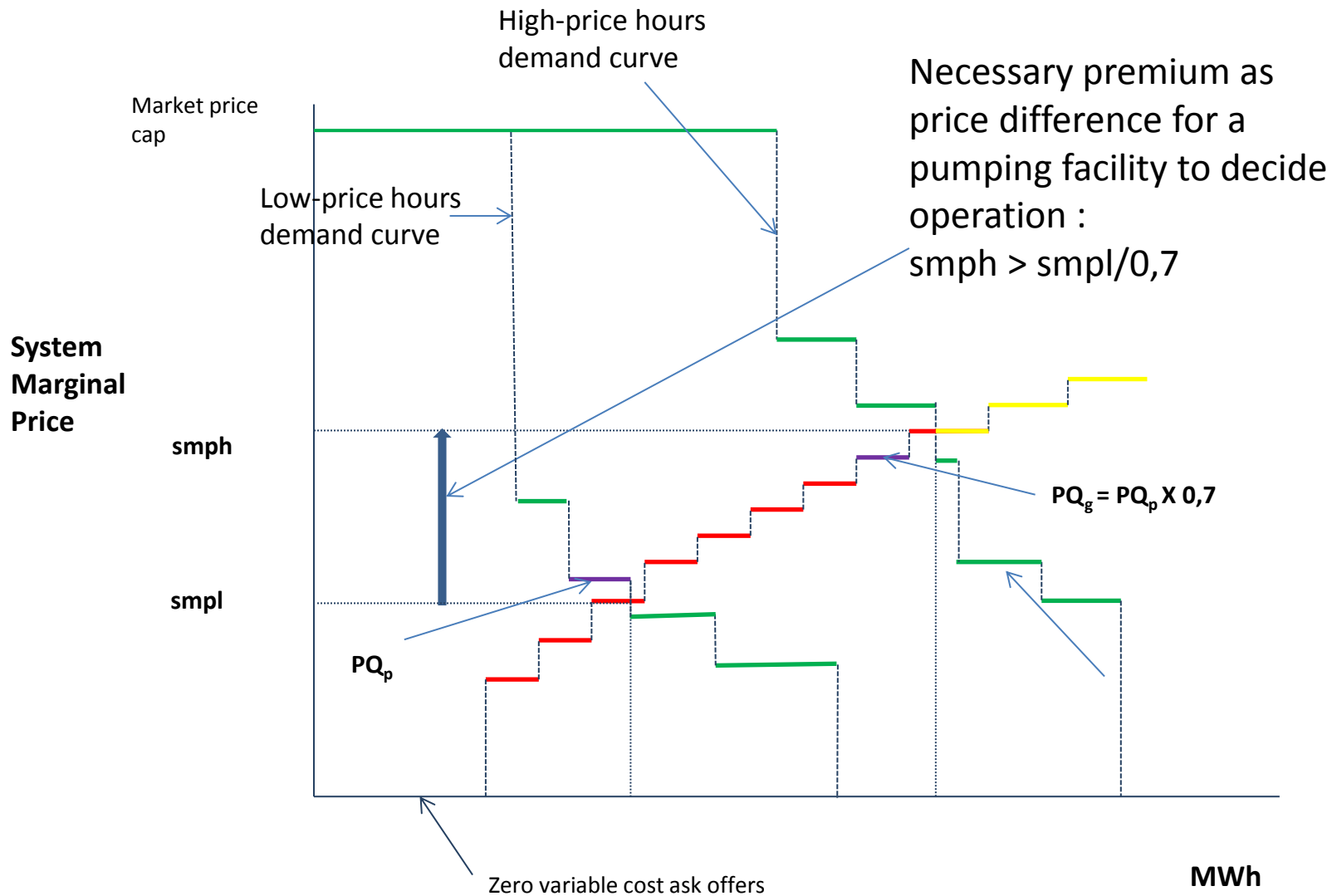


# Incentivising RES penetration (2/3)





# Incentivising RES penetration (3/3)







# Challenging issues for the completion of a fully functioning and interconnected internal energy market

1. The homogenisation of the market structures and the incurred costs and charges is a prerequisite step for coupling markets and achieving fair play among participants, bidding zones, markets, member states and non member states.
2. The EU Commission declares that prior to the implementation of any regulated measures, member states should preserve market operation which will deliver all solutions. This is true and necessary provided that all participants, Renewables installations included, participate on equal terms in the market. The marginal pricing principle will be constantly challenged, as long as the rules for formulating bid-ask offers do not reflect the true value of investments.
3. Decarbonisation can be achieved but not in a rush. Security of supply necessities for every bidding zone must be respected and they should be preserved taking into account the fair development of the underlying economies.



# Thank you for your attention