



IENE – 6<sup>th</sup> South East Europe Energy Dialogue  
Redefining South East Europe's Energy Map

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## Towards a Regional Electricity Market

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## **ENERGY 2020**

EU STRATEGY FOR COMPETITIVE, SUSTAINABLE AND SECURE ENERGY

## **ENTSO-E TYNDP**

CLUSTERS OF NEW INVESTMENT IN CSE REGION

## **ENERGY COMMUNITY**

A SINGLE REGULATORY SPACE FOR TRADE IN NETWORK ENERGY

## **TOWARDS A REGIONAL MARKET**

REGIONAL POLICIES AND PROJECTS



### 2007 – **Lisbon Treaty** laid down the central goals for the EU energy policy:

- SECURITY OF SUPPLY
- COMPETITIVENESS
- SUSTAINABILITY

- around the common objective of ensuring the **uninterrupted physical availability** of energy products and services on the market, **at a price which is affordable** for all consumers (private and industrial) while contributing to the EU **wider social and climate goals**

### 2007 – **EU Council** adopted energy and climate change objectives for 2020:

- REDUCE GREENHOUSE GAS EMISSIONS **BY 20%**
- INCREASE THE SHARE OF RENEWABLE ENERGY **TO 20%**
- IMPROVE ENERGY EFFICIENCY **BY 20%**

- supported by the EU parliament and embedded in the Europe 2020 Strategy for smart, sustainable and inclusive growth (2010)



### 2010 – Inquiries<sup>1</sup> indicate partial progress:

#### ▪ INTERNAL ENERGY MARKET IS STILL FRAGMENTED

- *Transparency, accessibility and diversification has not reached expectations, there are **barriers to open competition***
- *Development of companies and investments **beyond national borders** is still hampered by **diverse national rules and practices***
- *Implementation of internal market legislation is **incomplete**, with over 40 infringement procedures*
- *Energy efficiency measures are insufficient leaving **vast potentials untapped***
- *The move towards **renewable energy** and greater efficiency in transport is developing **too slowly***

#### ▪ SECURITY OF SUPPLY IS FRAGILE

- *Part of the **foreseen investments** is either **postponed or late***
- *Significant parts of the **existing production capacities** shall be **shut down by 2020** out of obsolescence – which means need for **replacement and expansion of capacity**, finding secure non-fossil fuel alternatives and adaptation of networks to renewable sources*
- *There is **no common approach** with respect to the countries – **suppliers of gas and transit countries**, as well as with respect of **exploitation of domestic potentials** of fossils fuels*

<sup>1</sup> EC Communication COM (2010) 639 Final - 10 November 2010



### 2011 – Energy Strategy 2020<sup>1</sup>

#### ▪ BASIC ATTRIBUTES OF THE ENERGY STRATEGY

- *Measures focusing on energy consumption – decoupling economic growth from growth of energy consumption, pursue an **active energy-savings** policy (especially in transport and construction), as well as **energy storage** and **electro-mobility***
- *On the supply side priorities are twofold – streamlined on **development of competitive and secure sources** of energy – **renewable sources** must be not only **sufficiently applied** to meet the targets but also to ensure that the renewable energy is **economically competitive** by 2020*
- *Natural gas and oil – rising demand and import requirements call for **diversified and safe supply routes***

#### ▪ FIVE PRIORITIES OF THE ENERGY STRATEGY

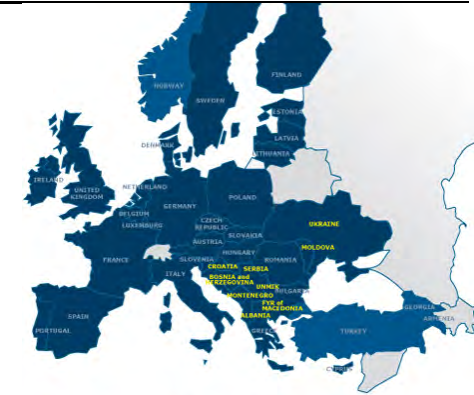
- *Achieving an **energy-efficient Europe***
- *Building a truly pan-European **integrated energy market***
- *Empowering consumers and achieving the highest level of **safety and security***
- *Extending Europe's leadership in energy **technology and innovation***
- *Strengthen the **external dimension** of the EU energy market*

<sup>1</sup> EC Communication COM (2010) 639 Final - 10 November 2010

### 2011 – Energy Strategy 2020<sup>1</sup>

#### ■ FREE MOVEMENT OF ENERGY

- *Market liberalization can not fulfil its targets – competitive prices as well as sustainable energy, unless robust efforts are made to create a more integrated, interconnected and competitive market*
- *Eliminate all remaining obstacles to competition from the market (fragmentation, national treatment, concentration, monopoly position, overuse of regulated prices, subsidies) and enforce competition on national level*
- *develop a renewable energy market – ensure that the legislation is fully implemented, and apply adequate support schemes (sustainable, predictable, balanced, cost-effective, consistent with technology development, not hindering competition, and with required degree of convergence and harmonization between jurisdictions)*
- *The electricity (and gas) market can function properly only if energy can freely flow wherever it is needed – development of needed infrastructure remains one of the key challenges, in particular in the cases where:*
  - a) *It enables to **utilize renewable energy** in the same manner and in combination with “classic” energy,*
  - b) *In the regions where it is technically and technologically **underdeveloped** or in bad condition*
  - c) *It provides interconnection of the EU market with the **neighbouring countries***



<sup>1</sup> EC Communication COM (2010) 639 Final - 10 November 2010

### 2011 – Energy Strategy 2020<sup>1</sup>

#### ▪ FREE MOVEMENT OF ENERGY (2)

- *Market development gains momentum through implementation of the “Third Energy Package” - among else through the establishment of **ACER** and the Networks of the Transmission System Operators (**ENTSO-e**, **ENTSO-g**) and Regional initiatives (Energy Community, Baltic Market, Mediterranean Ring, Eastern Partnership, etc.)*
- *The financing of the market infrastructure (estimated at €1 Trillion by 2020) shall continue to be covered mainly through **tariffs paid by the users** (final customers) - supported through financing schemes designed and made available by EC*
- *Provided the supply remains stable **the natural gas** will continue to play the **key role in the EU energy mix** in the coming years and even gain importance as a **back-up fuel** for volatile electricity generation - which further underlines the importance to diversify gas imports, both pipelines and LNG terminals*
- *Administrative procedures shall be simplified and shortened for the “**Projects of European Interest**” aimed to serve:*
  - a) *Security of supply*
  - b) *Solidarity, or*
  - c) *Integration of renewable energy*



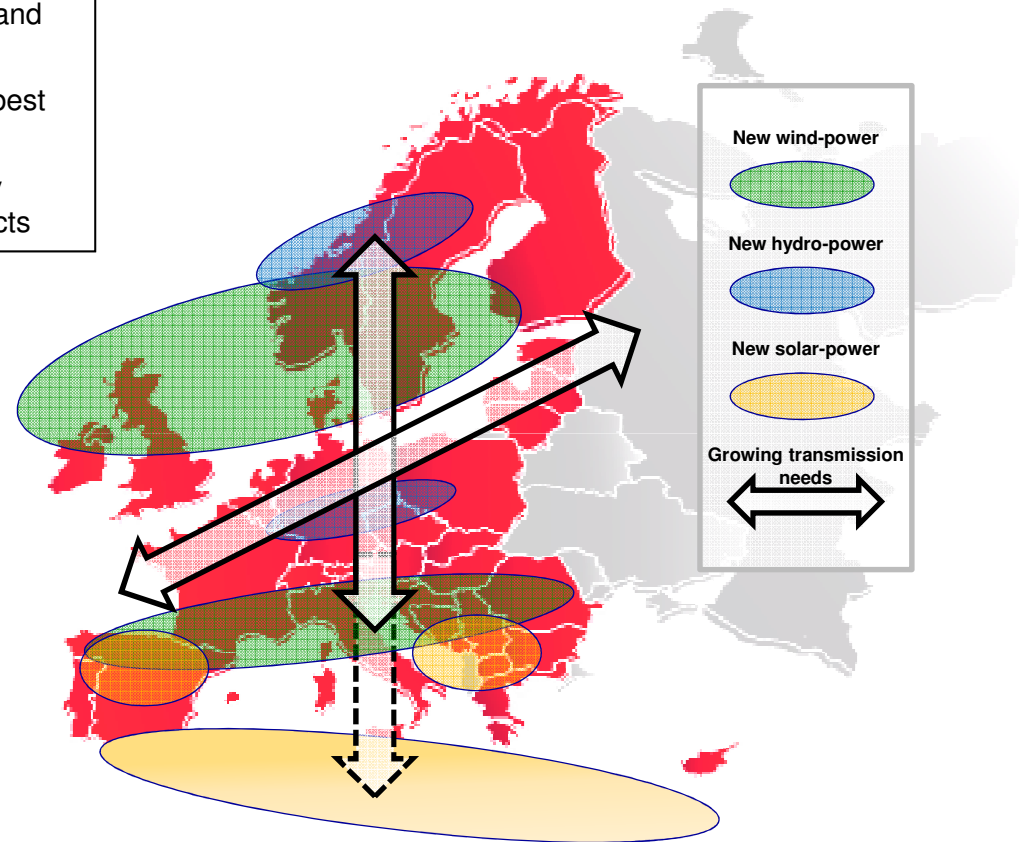
<sup>1</sup> EC Communication COM (2010) 639 Final - 10 November 2010

### FIRST REPORT for TYNDP

- ❖ serves as basis for seeking consistency between national and regional plans
- ❖ allows ENTSO-E to identify main improvement areas and best means for planning
- ❖ the main concern is lack of social acceptance that severely delays or jeopardises the realisation of transmission projects

### ▪ The Three PILLARS of EU Energy Policy

- **(SoS)** Security of Supply
- **(RES)** tackling climate change and integration of Renewable Energy Sources
- **(IEM)** economic efficiency and realization of the Internal Energy Market



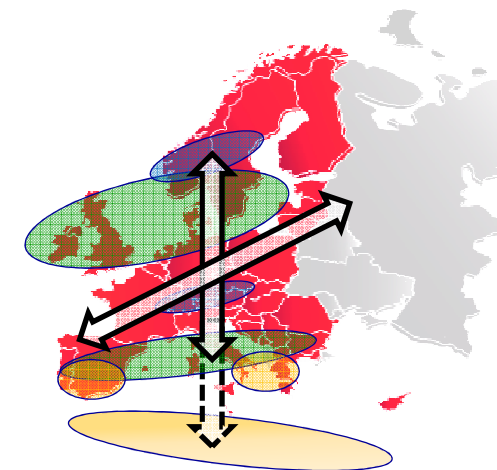


### FIRST REPORT for the TYNDP

- ❖ EU policy priorities are important but not sole drivers for grid investment “of pan-European significance” – ENTSO-E identified **SEVEN main investment clusters**

- ENTSO-E main investment clusters

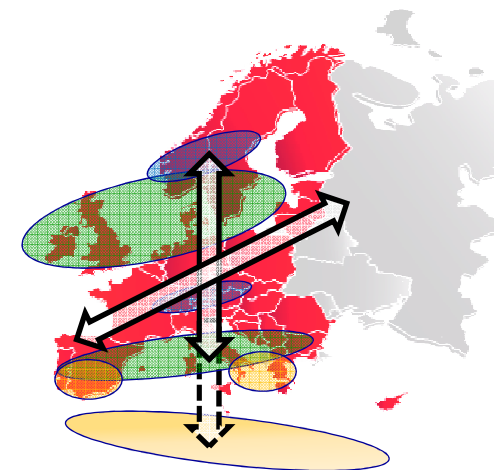
- **Massive RES integration in the North part of Europe** – the connection of RES, mainly wind located in remote areas with low load requirements, investments are required in
  - Connection to the network,
  - Increased onshore transmission capacity
  - Efficient balancing of the system – utilizing available and future hydroelectric facilities
  
- **Massive RES integration in the South part of Europe** – the connection and transmission of RES, mainly wind, hydro and solar mainly in the Iberian Peninsula (SWE and CSE), requires
  - Internal reinforcement
  - increased interconnection capacity with the rest of Europe (France)



### FIRST REPORT for the TYNDP

#### ▪ ENTSO-E main investment clusters (2)

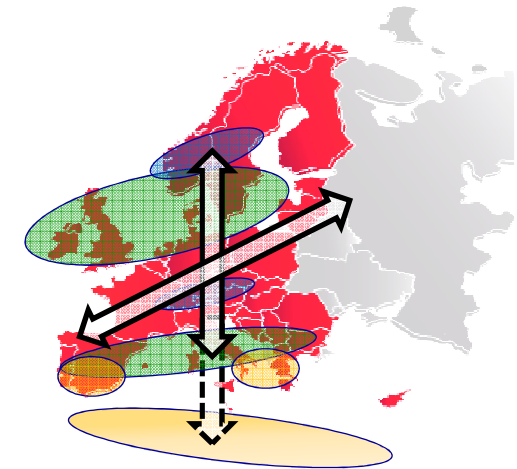
- **Massive N-S and E-W flows in the *South-East and Central South* regions (SEE and CSE)**
  - dictated by the power balances and market prices of the countries including GR, FYROM, AL and IT as dominant importers of electricity. Includes
    - Strengthening of the regional network (assist market integration),
    - New generation (BG, HU, HR) for the N-S direction
    - Interconnection of new systems (TY, MD, UA) for the E-W direction
    - New pump-storage capacities (AT, CH)
    - Strong correlation with wind-power generation (DE, in the future FR, IT)
  
- **Integration of the *Baltic States*** – According to the EC Energy Market Interconnection Plan (2008), aiming at full integration into the EU energy market of the three Baltic States (LT, LV, EE)
  - Strengthening of (new) interconnections with the neighbouring EU Countries (FI, SE, PL)



### FIRST REPORT for the TYNDP

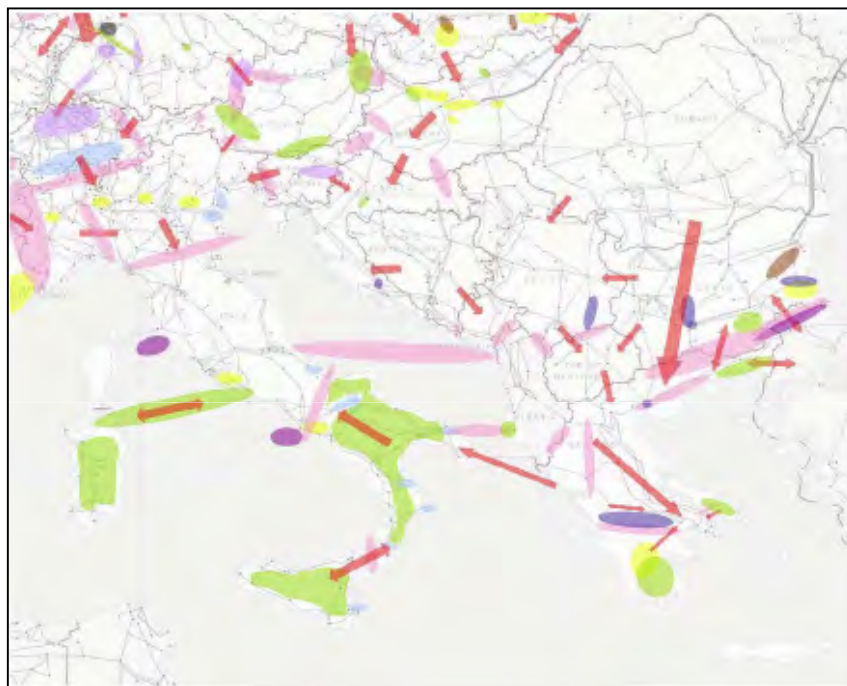
#### ▪ ENTSO-E main investment clusters (3)

- **New Conventional Power Plants** connection, complementary to RES, all over Europe (totalling estimated 100 GW in the next decade) aiming
  - To replace old decommissioned plants, or
  - To cope with load growth and system balancing
  
- **Power supply** to some **EU cities and regions requiring reinforcement** (in ES, FR, HU, SK, PL, CZ, etc) as this could
  - Interact with other investment needs in the area, or
  - Limit the available cross-border capacity
  
- **Market integration** with new clustering of generation units, variation of sources and generated power and **new centres of consumption all over Europe** to ensure that wherever power is available it can be efficiently brought to consumption, requires
  - Development and adaptation of grid access rules
  - Propose most appropriate market framework



## TYNDP 2010

**Grid investment needs up to 2015  
Greece, South Italy**



**Grid investment needs after 2015  
other Balkan countries, Bulgaria, Romania**



	Demand growth		Low cross border capacity, limited transfer capability of the network
	Future generation evacuation		High short circuit current, need for reactive power, etc.
	Existing generation evacuation		Aging/obsolescence of network equipment
	Generation decommissioning		Major power flow
	Change in exchange patterns		
	Isolated systems to be connected		

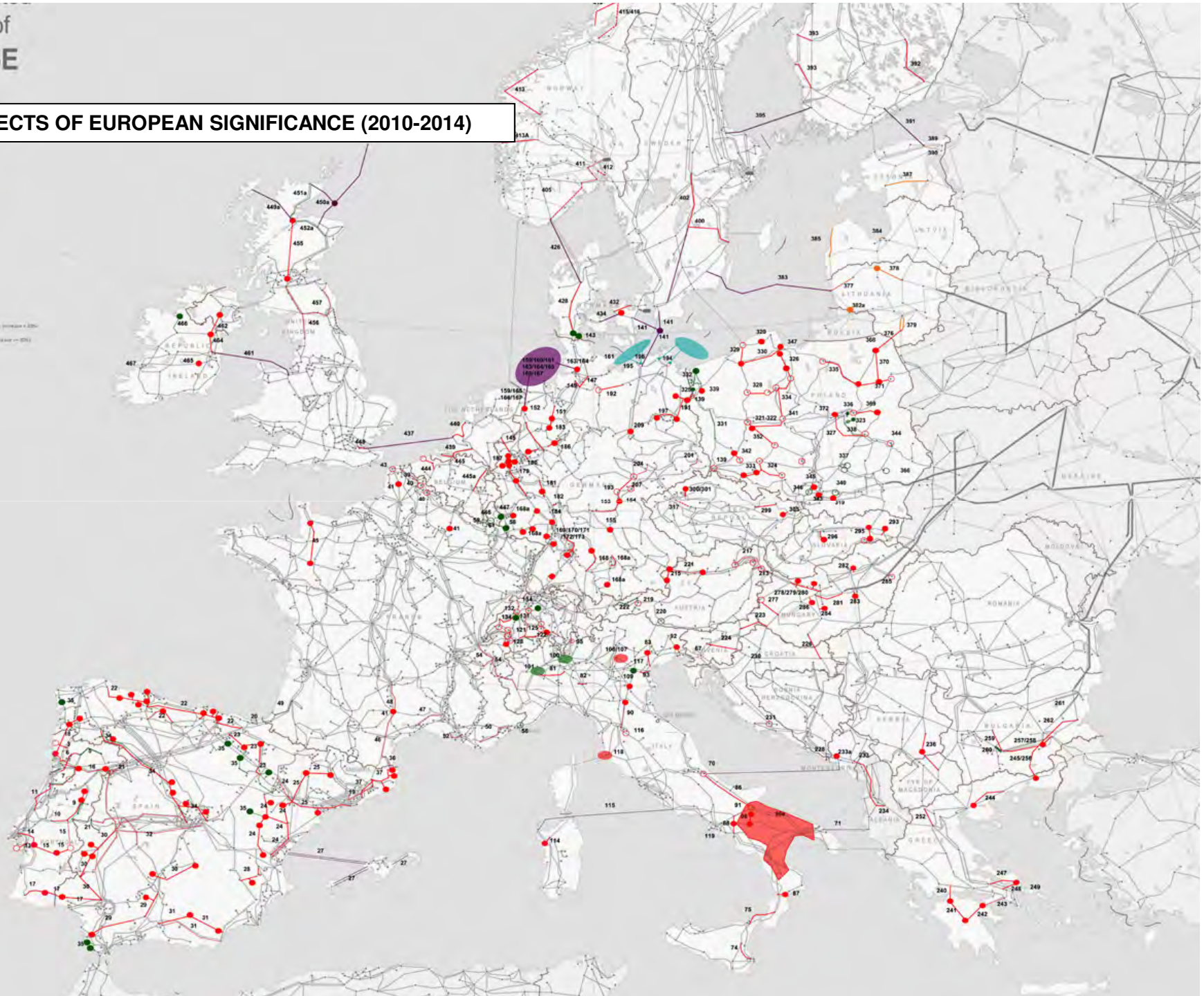
Source: ENTSO-e

# network of ENTSO-E

01.07.2008

## PROJECTS OF EUROPEAN SIGNIFICANCE (2010-2014)

- Projects and Lines
- AC 400 kV components
  - AC 330 kV components
  - AC 225 kV components
  - AC 150 kV components
  - DC components
  - new stations
  - New line > 1.000
  - New line < 1.000
  - Study area of a new project
  - Extension of existing plant
  - Redesigning of existing assets (cap. increase > 20%)
  - Redesigning of existing assets (cap. increase < 20%)



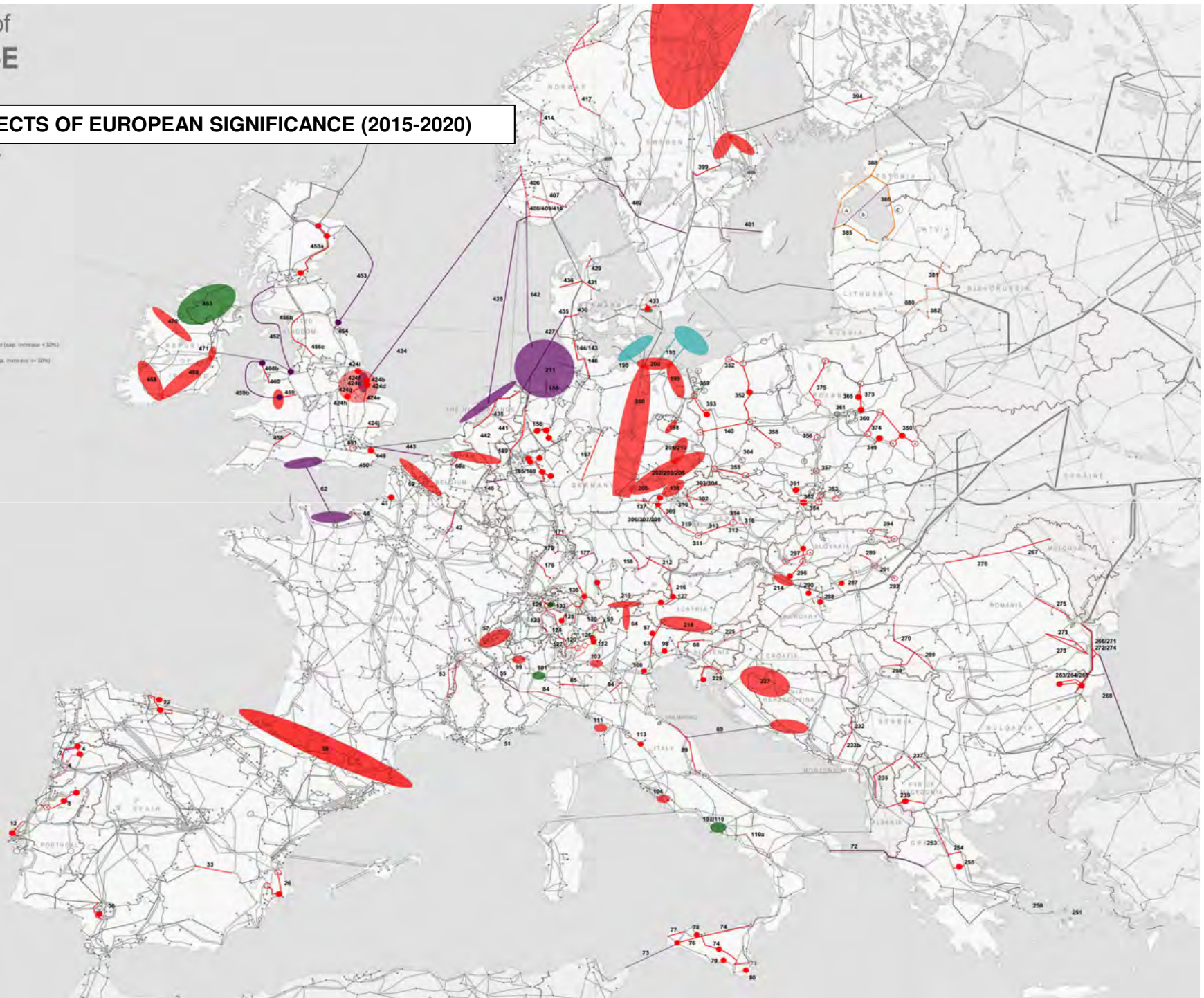
# network of ENTSO-E

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## PROJECTS OF EUROPEAN SIGNIFICANCE (2015-2020)

- Projects Long Term
- AC 400 kV components
  - AC 330 kV components
  - AC 225 kV components
  - AC 150 kV components
  - AC < 150 kV components
  - DC components

- New substation
- New link < 1 GW
- New link > 1 GW
- Study area of a new project
- Extension of existing subst.
- Refurbishment of existing assets (cap. increase < 10%)
- Revolving of existing assets (cap. increase >= 10%)



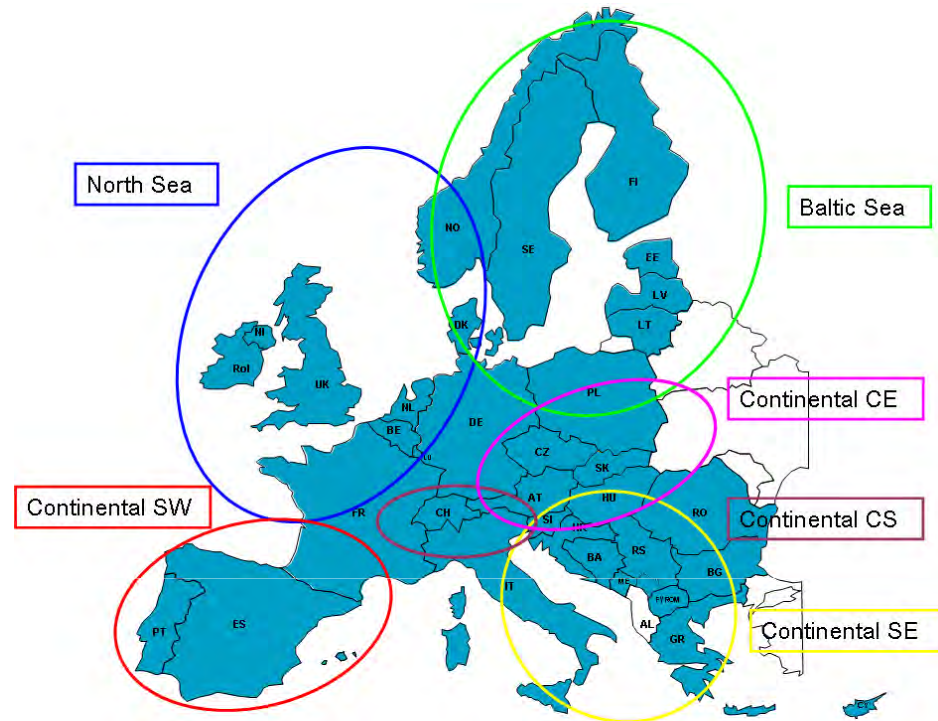
## TYNDP 2012

### REGIONAL GROUPS for TYNDP

- ❖ ENTSO-E is divided in **6 Regional Groups** for grid planning and system development (**NS, BS, CSW, CCE, CCS, CSE**)
- ❖ The **Continental SE group** consists of 11 TSOs (**GR, IT, BG, FYROM, ME, BA, HR, RS, RO, SI, HU**), one corresponding member (**CY**), and one member in data provision and modelling (**AL**)

### ■ TYNDP package

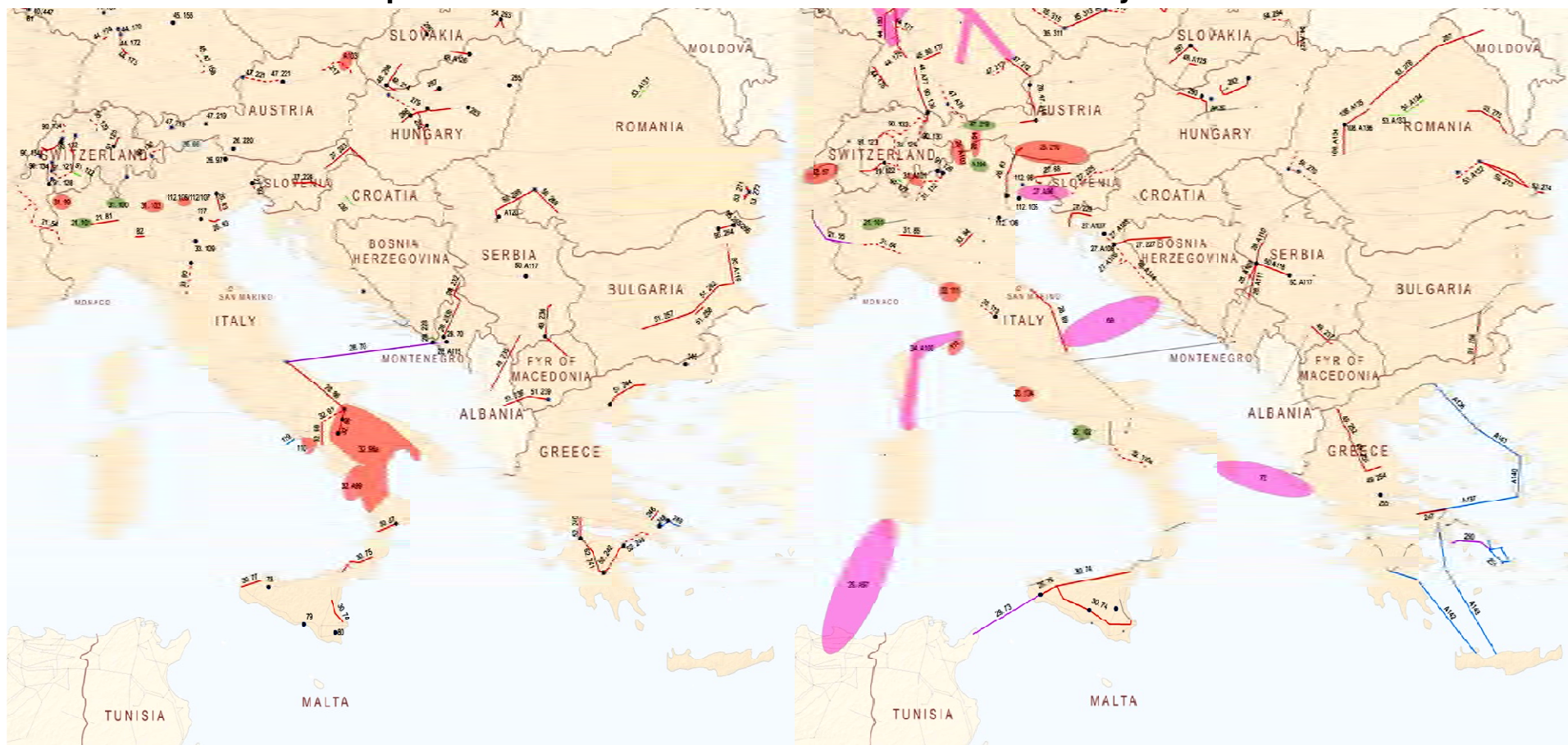
- (**TYNDP**) the Ten Year Network Development Plan is focused on projects of *pan-European significance* detailed in each RIP
- (**RIP**) the Regional Investment Plans document the overlap between National Development Plans (TSO) and the TYNDP – focused on project planning at a *regional level*.
- (**SO&AF**) Scenario Outlook and Adequacy Forecast analyses future *system adequacy* at mid- and long-term



### MID-TERM AND LONG-TERM INVESTMENTS IN CSE

#### Up to 2016

#### Beyond 2017



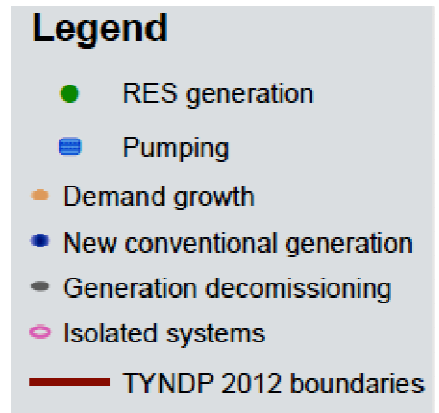
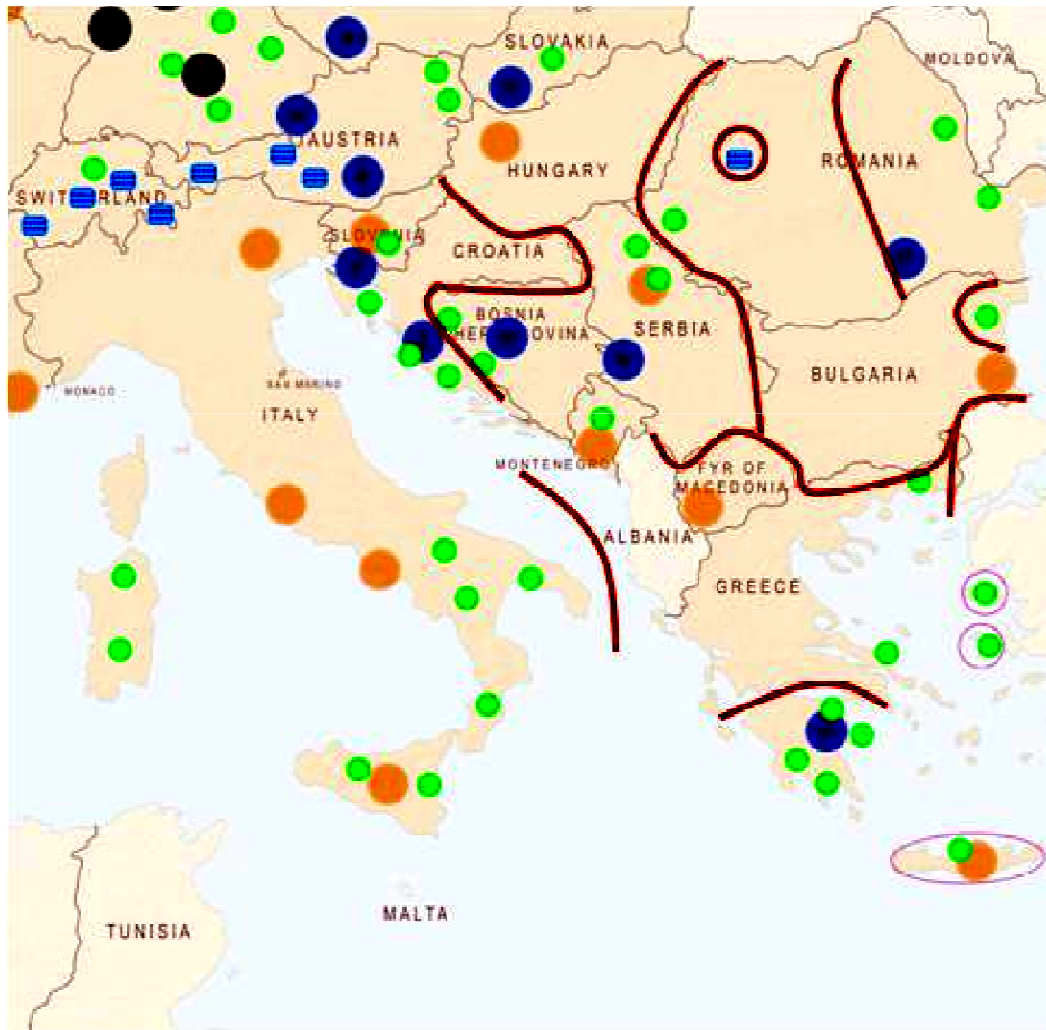
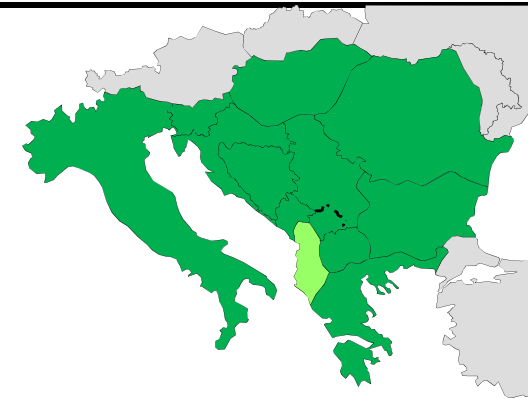
Source: ENTSO-e



# ENTSO-E TYNDP

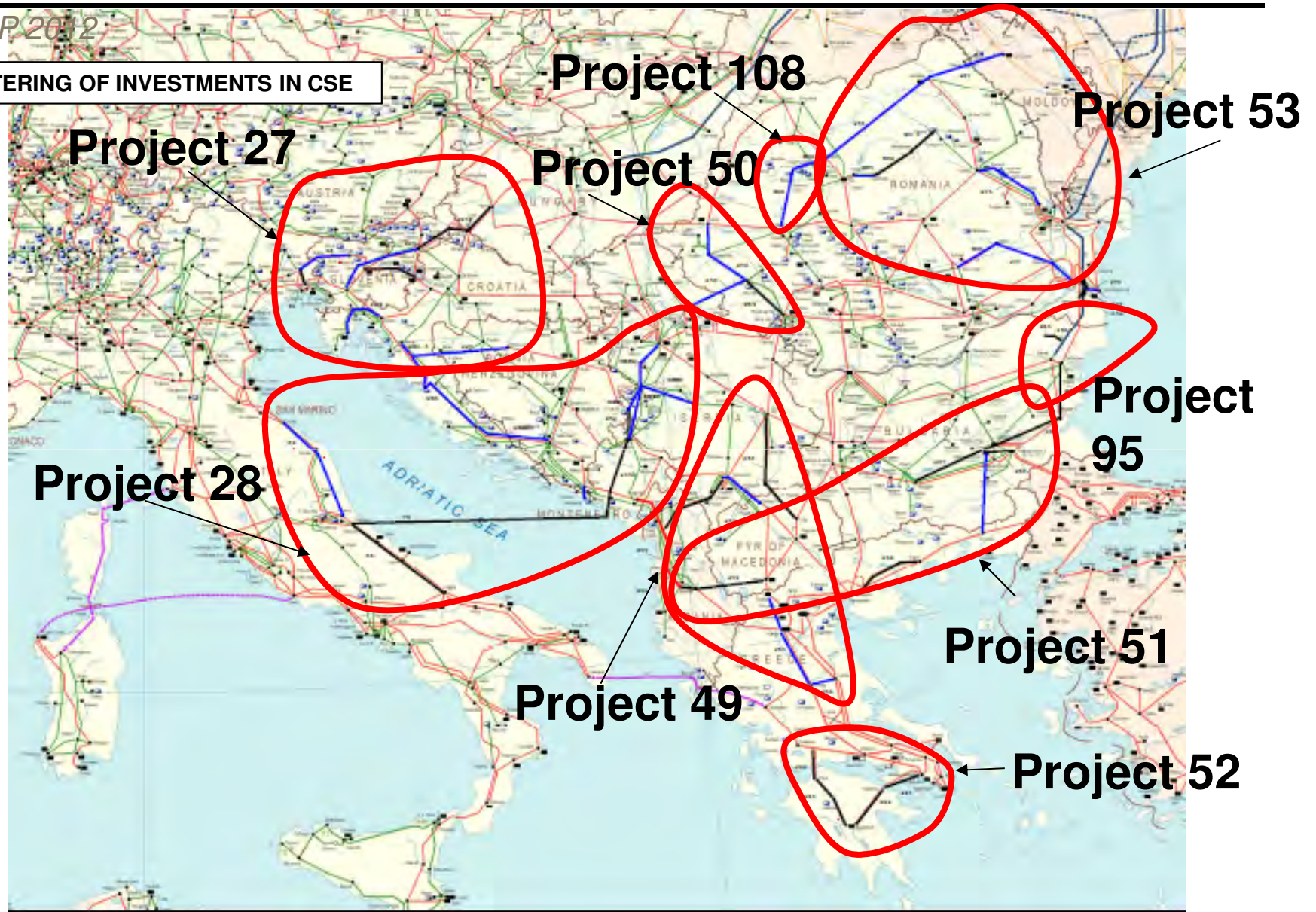
TYNDP 2012

## DRIVERS FOR SYSTEM EVOLUTION IN CSE



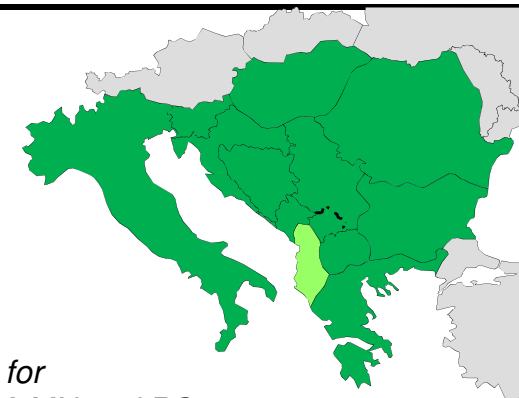
Source: ENTSO-e

**CLUSTERING OF INVESTMENTS IN CSE**



Source: ENTSO-e

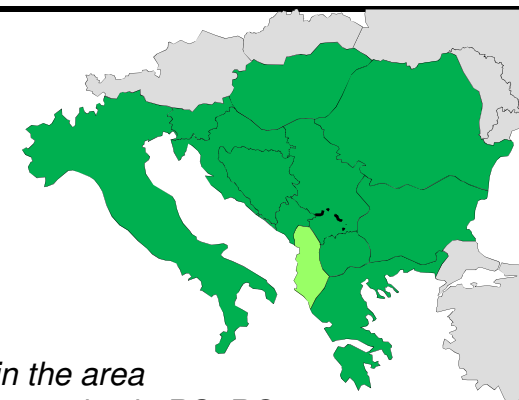
### CLUSTERING OF INVESTMENTS IN CSE



#### ▪ Main PROJECT CLUSTERS

- **Project 28** is associated with submarine HVDC interconnection IT-ME - to serve for RES integration, SoS in the region and a new path from production centres in BA MN and RS, later in HR, to IT
- **Project 51** is related to Corridor 8, connecting the BG coast on the Black Sea with the AL coast on the Ionian Sea – increase of power transfer capacity between TY and BG, GR, MK, AL.
- **Project 95** comprises construction of 2 x 400 kV SS and 3 lines in BG to accommodate RES penetration
- **Project 52** comprises extension of 400 kV network in Peloponnese (GR) aimed to increase SoS and considerable amount of RES to be integrated
- **Project 27** is aimed to increase transfer capacity SI – IT, SI – HU, SI – HR and HR – BA, improving SoS and diversifying SoS increasing resilience and flexibility of the network.
- **Project 49** is related to Corridor 10 and aims to increase transfer capacity and SoS in MK, AL and GR from the direction of RO, BG and RS

### CLUSTERING OF INVESTMENTS IN CSE



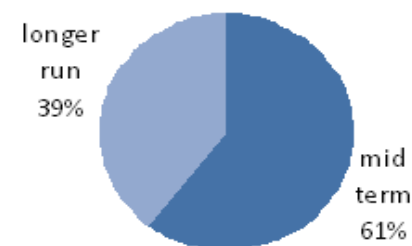
#### ▪ Main PROJECT CLUSTERS

- **Project 50** aims to increase power transfer from RO and BG as main exporters in the area towards RS and HU, also enforcement for the N-S corridor from UA and RES integration in RS, RO
- **Project 53** comprises investment in RO to accommodate integration of RES and conventional generation but also as transfer capacity from UA
- **Project 108** is also purely RO cluster, to allow integration of new pump-storage HPP of 1000 MW aimed to assist the safe operation of RO system and integration of RES in the area

#### ▪ NEW INVESTMENT PROJECTS

- **9 Project clusters** are identified in CSE
- **68 investments** of pan-European significance are proposed
- **5700 km** of new lines are foreseen
- Close to **€10.8 billion** of investments are required

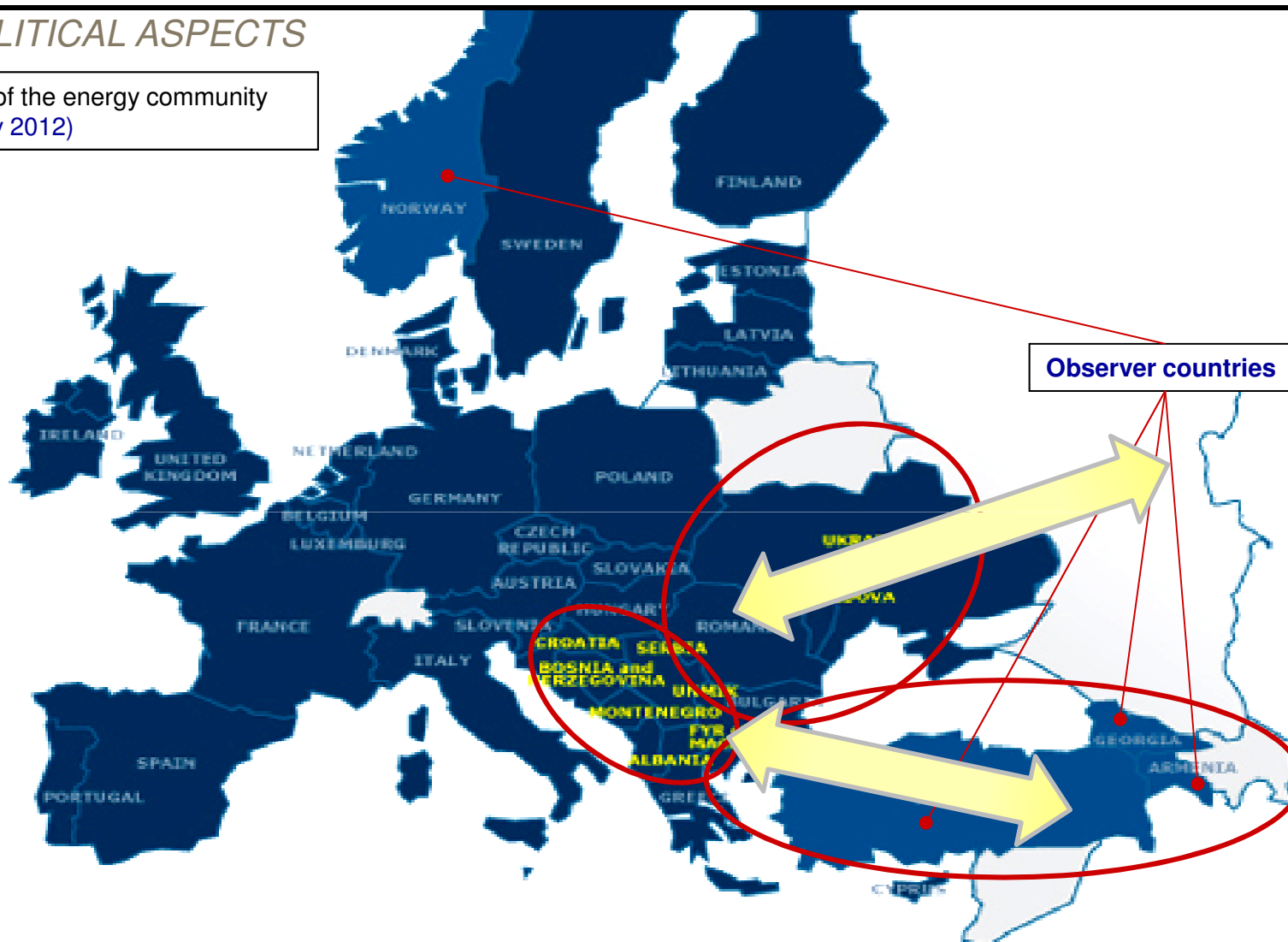
#### Investment costs



# ENERGY COMMUNITY

## GEOPOLITICAL ASPECTS

Domain of the energy community  
(February 2012)

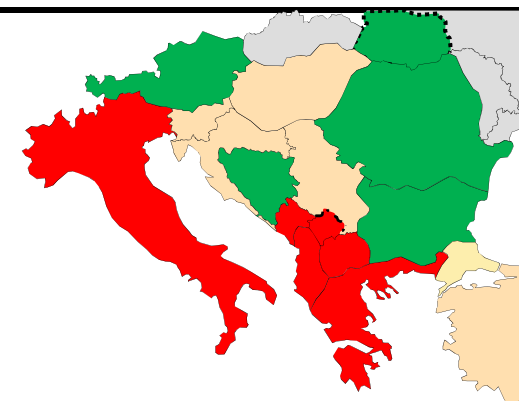
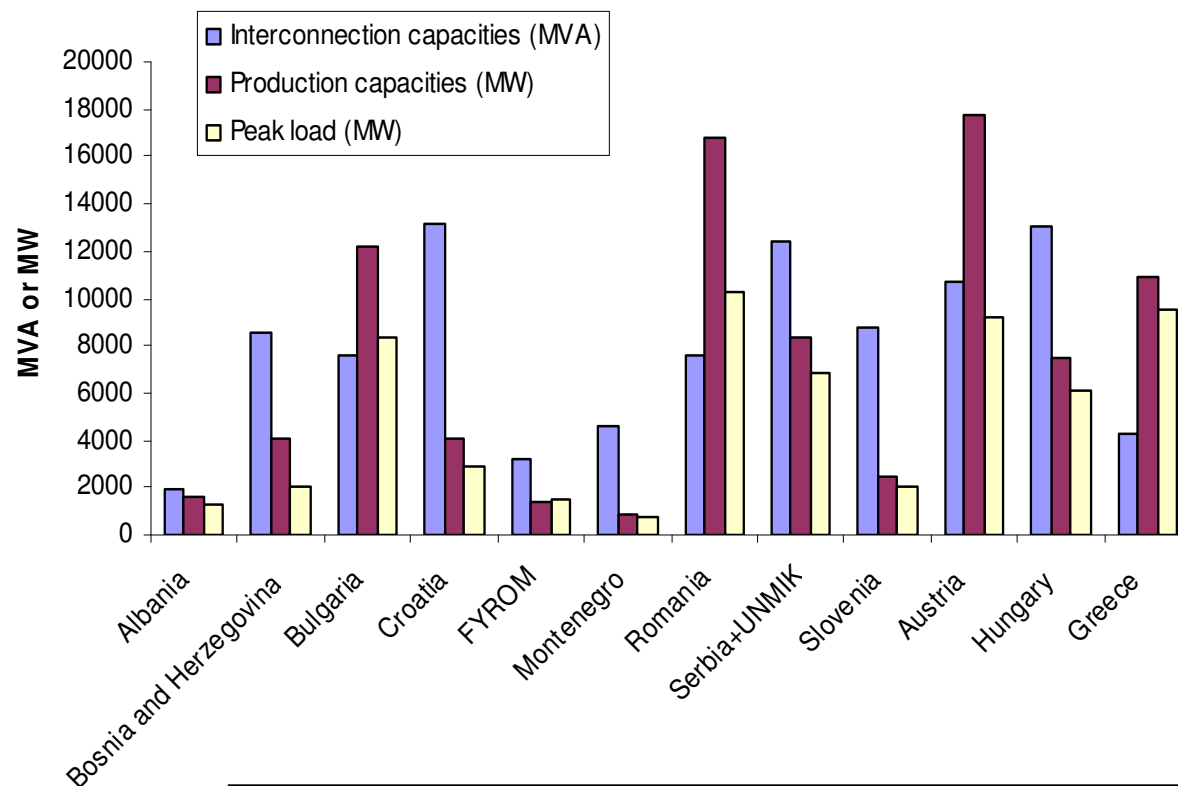


- *The interest in the Energy Community is shifting to the EAST (following the EU – Eastern Partnership initiative)*
- *The Contracting Parties are located on some of the main energy corridors between EU and Asia*

# ENERGY COMMUNITY



## GENERATION ADEQUACY (2010)



➤ *Main directions of energy flows stem from the OVERALL GENERATION ADEQUACY - export role of Bulgaria, Romania, Austria, Bosnia and Herzegovina and Ukraine, while importers are Greece, Albania, Montenegro, Former Yugoslav Republic of Macedonia, Kosovo\* and Italy*

Source: SECI TSP Project

## STRUCTURE

Participation in the energy community  
(February 2012)

### ▪ 9 Contracting Parties

- Albania
- Bosnia and Herzegovina
- Croatia
- FYR of Macedonia
- Moldova
- Montenegro
- Serbia
- Ukraine
- Kosovo \*

### ▪ 4 Observers

- Armenia
- Georgia
- Norway
- Turkey

### ▪ The European Union

### ▪ 15 Participants

- Austria
- Bulgaria
- Cyprus
- Czech Republic
- France
- Germany
- Hellenic Republic
- Hungary
- Italy
- The Netherlands
- Poland
- Romania
- Slovakia
- Slovenia
- United Kingdom

- *Moldova (2010) and Ukraine (2011) acceded to the Treaty which tripled the energy market (from 26 to 73 million inhabitants)*
- *In October 2011 Armenia acquired the status of observer and Poland became a participant*

### Energy Policy in the EU

#### ▪ Three main OBJECTIVES

- sustainability
- security of supply
- competitiveness

➤ *Establishment of  
EU Internal Energy Market*

### Energy Policy of the SEE countries

#### ▪ The same objectives in a more DEMANDING ENVIRONMENT

- no common legal platform
- no regional legal enforcement
- deteriorated energy infrastructure
- limited own investment potentials
- fragmented political environment
- economic and social disadvantages
- perception of political instability

#### ▪ A common ADVANTAGE:

- policy for accession to the EU

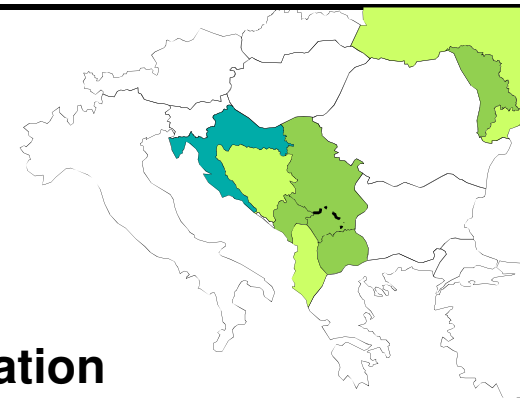
➤ *Establishment of a functional  
REGIONAL Energy Market*



## IMPLEMENTATION OF THE TREATY

### Status of **implementation** (February 2012)

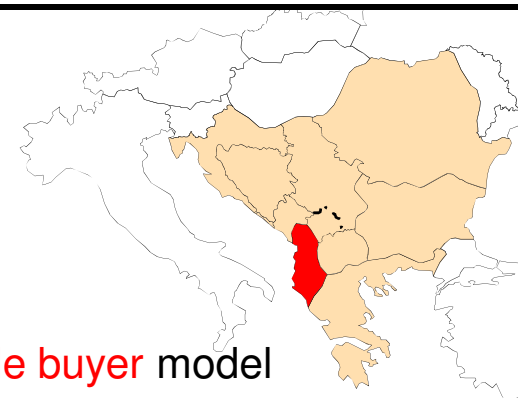
- **Advanced level** of overall implementation:
  - Croatia
  
- Intensive ongoing activities on the **secondary legislation**
  - The Former Yugoslav Republic of Macedonia
  - Montenegro
  - Moldova
  - Serbia
  - Kosovo\*
  
- Intensive ongoing activities on the **primary legislation**
  - Albania
  - Bosnia and Herzegovina
  - Ukraine



➤ *A significant gap exists between TRANSPOSITION (formal adoption) of the provisions from the relevant Acquis and its practical IMPLEMENTATION (enforcement through corresponding Rules and Instruments)*

➤ *All Contracting Parties have established Regulatory Authorities and developed comprehensive regulatory frameworks - however still missing substantial elements for effective liberalization of the market and support for investments in new energy infrastructure (power generation)*

### Status of local market development

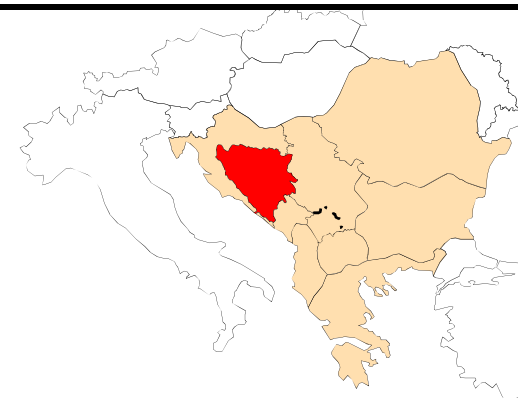


#### ▪ ALBANIA

- A single, dominant **state-owned** power **generation**, **single buyer** model
- The single **distribution company** has been **privatized**, operates on **low liquidity**
- The **system operator** OST operates **independently**
- **Competitive retail market** **does not exist**
- **Retail prices** on **low level**, very low **collection rate** and high level of **losses**
- **Power exchange** **does not exist**
- **Balancing market** **does not exist**
- **Regulated prices** available for **large industry customers**

➤ *Albania* has privatized its distribution network and supply activities (CEZ from the Czech Republic) but almost half of the revenue is not collected, facing problems with bad debts. Albania. Is critically insufficient in generation adequacy operating more than 95% hydro generation.

### Status of **local market** development



#### ▪ **BOSNIA AND HERZEGOVINA**

- Three **state-owned** power **utilities**
- The **system operator** NOS BiH operates **independently**. The **transmission company** (Elektroprenos) suffers from chronic **mismanagement**.
- **Competitive retail market** **does not exist** (one active eligible customer)
- **Retail prices** on **moderate level**
- **Power exchange** **does not exist**
- **Balancing market** **does not exist**
- **Regulated prices** available for **large industry customers**
- **Low** overall **market liquidity**

➤ *Bosnia and Herzegovina is net exporter of electricity. The political environment is relatively complex which makes the reform process significantly lengthy and cumbersome.*

## IMPLEMENTATION OF THE TREATY

### Status of local market development



### ▪ CROATIA

- The system operator **HEP OPS** operates within **HEP Holding**
- **Competitive retail market does not exist** (MOST consumers supplied by HEP)
- **Retail prices** on moderate level
- **Power exchange does not exist**
- **Balancing market does not exist**
- **Regulated prices** available for large industry customers
- **Low** overall market liquidity
- **Switching rules** developed and applied
- **Eligibility criteria** enforced for all customers

➤ *Croatia started its process of wholesale market opening and made first steps toward market coupling in the border with Hungary*

### Status of **local market** development

- **The Former Yugoslav Republic of MACEDONIA**
  - A dominant **state-owned** power **generation company**
  - The single **distribution company** has been **privatized**
  - The **system operator** MEPSO operates **independently**
  - **Retail market** is open for **major industry customers**
  - **Retail prices** on **low level**
  - **Power exchange** **does not exist**
  - **Balancing market** **does not exist**
  - **Low** overall **market liquidity**
  - **Cross-border capacity** allocation **“pay-as-bid”**



➤ *The Former Yugoslav Republic of Macedonia is a net importer for 30% of its consumption. Distribution is privatized (EVN fro Austria).*

### Status of local market development



### ▪ MONTENEGRO

- A single, dominant **state-owned** power **utility**
- The **system operator** Elektroprenos operates **independently**
- **Competitive retail market** **does not exist**. One customer switches the supplier
- **Retail prices** on **moderate level**
- **Power exchange** **does not exist**
- **Balancing market** **does not exist**
- **Regulated prices** available for **large industry customers**
- **Low** overall **market liquidity**
- **Cross-border capacity** allocation **“pay-as-bid”**

➤ *Montenegro is net importer of electricity, inherently dependent on the system of Serbia for its security of supply. Large part of the generation company has been privatized.*

### Status of **local market** development



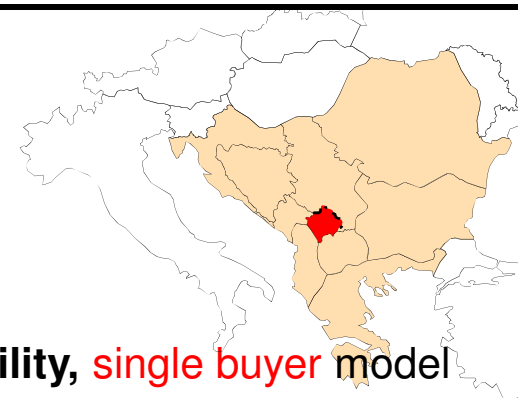
#### ▪ **SERBIA**

- A single, integrated **state-owned** power **utility**
- The **system operator** EMS operates **independently**
- **Competitive retail market** **does not exist**
- **Retail prices** on **low level**
- **Power exchange** **does not exist**
- **Balancing market** **does not exist**
- **Regulated prices** available for **large industry customers**
- **Significant and improving** overall **market liquidity**
- **Cross-border capacity** allocation “**pay-as-bid**”

➤ *Serbia does not participate in the regional capacity allocation project (CAO) but has taken steps towards market coupling with Hungary (and potentially Romania and Bulgaria)*

## IMPLEMENTATION OF THE TREATY

### Status of local market development



#### ▪ KOSOVO\*

- A single, dominant and integrated **state-owned** power **utility**, **single buyer** model
- The **system operator** KOSTT operates **independently**
- **Competitive retail market** **does not exist**
- **Retail prices** on **low level**, very low **collection rate** and high level of **losses**
- **Power exchange** **does not exist**
- **Balancing market** **does not exist**, balancing assisted by Serbian utility EPS
- **Regulated prices** available for **large industry customers**
- **Capacity allocation** performed by the **Serbian operator EMS**

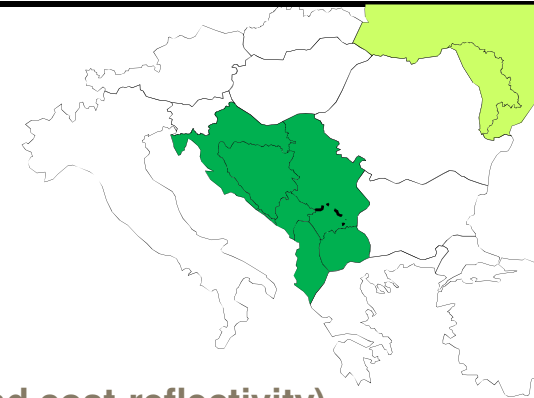
➤ *KOSOVO\* Is inherently suffering from drastic insufficiency of own generation capacity and low adequacy (almost all thermo generation), endangered security of supply (regular load shedding) and deteriorated distribution network including low payment discipline. Privatization of the distribution and retail supply is in preparation.*



# TOWARDS A REGIONAL MARKET

## ENERGY COMMUNITY FRAMEWORK

Main policy drivers **remain the same**



- **Small and fragmented markets**  
(multiple borders, multiple rules, fragmented demand)
- **Concentrated and bundled generation** (lack of transparency and cost-reflectivity)
- **Exclusive approach to energy supply** (exclusive rights or priorities of access, reserved capacities)
- **Fragmented legislation** (adverse and incompatible for market integration)
- **Need for Diversification of trading platforms**  
(OTC, spot market, real-time, balancing, capacity trading)
- **Compatible regulation** (dispute settlement, reciprocity, mutual recognition of rules)
- **Safety and mutual assistance** (in case of disruption and sudden crisis)
- **Large infrastructure investment** (electricity transportation, power generation, RES)

# TOWARDS A REGIONAL MARKET



## REGIONAL COOPERATION

SEE REGIONAL COOPERATION Initiatives

### **Regional recognition of licences** (trading, generation, supply)

*RECIPROCITY* (no preferences, free establishment) in the national legislation

*INTEGRATION* (ECRB project for common rules for licencing – **EU compatibility**)

*DISPUTE SETTLEMENT* on regional level

### **Regional market Monitoring** - project

*SCOPE OF DATA* relevant for market monitoring (**agreement with operators**)

*MONITORING PLATFORM* under development (**ENTSO-e compatibility**)

### **Regional Balancing market** - project

*IMBALANCE SETTLEMENT* procedures on local level

*CROSS-BORDER BALANCING* under development (**ENTSO-e compatibility**)

### **Compatible Market Rules** – project (**ENTSO-e**)

*ENTSO-e GRID CODES* under development (ENTSO-e project)

*COMPATIBLE MARKET RULES* (Energy Community project)

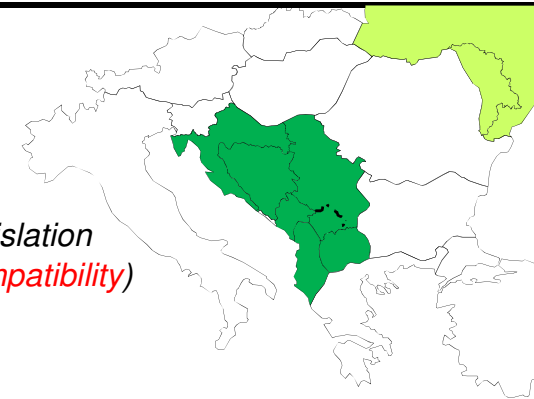
*REMIT - REgional Market Integrity and Transparency* (ENTSO-e project)

### **Regional Energy Strategy** - project

*GENERATION ADEQUACY* – demand forecast (SCENARIOS)

*NEW GENERATION CAPACITY* investment projects

*CRITERIA* for project assessment from a regional perspective



➤ *The two most advanced projects involving the ECRB are the WHOLESALE MARKET OPENING (WMO) project addressing the development of new trading platforms , and the COORDINATED AUCTION OFFICE (CAO) project for establishment of a regional capacity allocation mechanism in the South East Europe region*

# TOWARDS A REGIONAL MARKET



## SEE REGIONAL WMO Project

### REGIONAL ASPECTS of the Action Plan



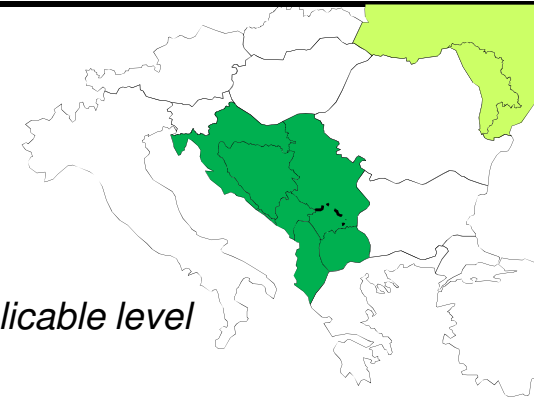
- ESTABLISHMENT OF A COMMON REGIONALLY COORDINATED **CB CAPACITY ALLOCATION** (CONGESTION MANAGEMENT) MECHSNISM  
*Based on the **CAO Project** and in coordination with corresponding initiatives*
- AGREEMENT AND IMPLEMENTATION OF COMMON RULES FOR AUTHORIZATION OF **TRADING ACTIVITIES** (RECOGNITION OF LICENCES)  
*Based on the ongoing **ECRB initiative** and in compliance with corresponding EU practices*
- ESTABLISHMENT OF COMMITMENT AND TIMELY IMPLEMENTATION OF THE **THIRD ENERGY LEGISLATIVE PACKAGE** BY ALL CONTRACTING PARTIES  
*Based on the provisions and timeframe of the established **Implementation Project***
- ACTIVE ENGAGEMENT ON COMPLIANCE, COOPERATION AND ASSOCIATION WITH **ENTSO-e AND ACER**
- EFFECTIVE PLANNING AND IMPLEMENTATION OF **INVESTMENT PRIORITIES** FOR DEVELOPMENT OF THE TRANSMISSION AND GENERATION INFRASTRUCTURE

# TOWARDS A REGIONAL MARKET

SEE REGIONAL WMO Project

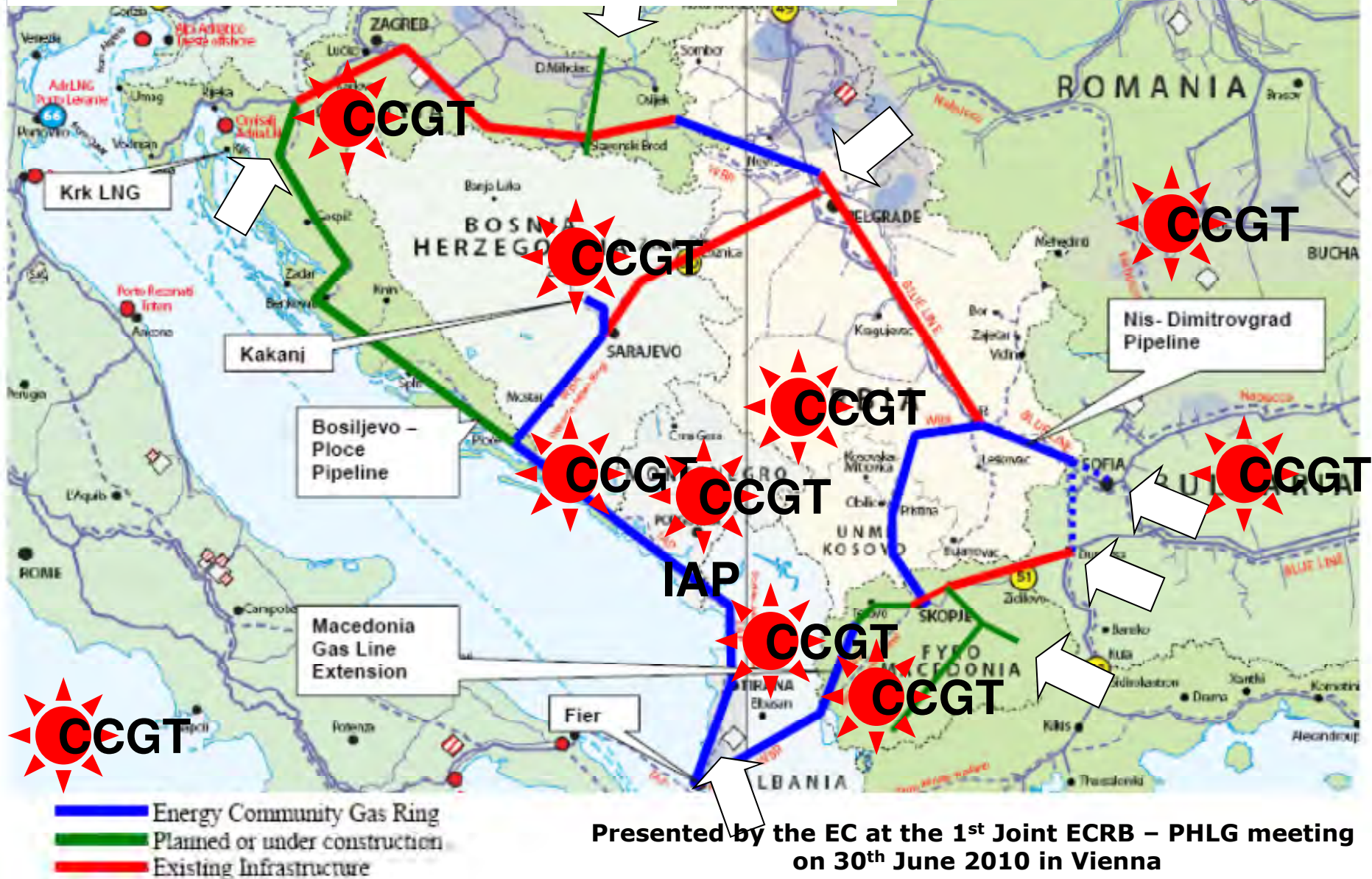
## LOCAL ASPECTS of the Action Plan

- **UNBUNDLING OF SUPPLY FROM INCUMBENT GENERATION**  
– UNBUNDLING OF GENERATION CAPACITY  
*Development of supply function for eligible customers on applicable level for new market participants*
- **ADEQUATE TREATMENT OF ELIGIBILITY**  
*- if necessary with transitional support from the state authorities in a transparent and non-tariff-based manner*
- **ADOPTION AND IMPLEMENTATION OF MARKET RULES WHICH ADEQUATELY ADDRESS BALANCE RESPONSIBILITY AND BALANCING MECHANISMS**  
*Based on commercial principles (market-based)*
- **ADJUSTMENT THE REGULATORY POWERS** IN ORDER TO EFFECTIVELY COPE WITH MONITORING OF MARKET CONCENTRATION AND CB CAPACITY ALLOCATION
- **INCREASE OF ALL ASPECTS OF TRANSPARENCY** TO THE REQUIRED LEVEL
- **PHASING OUT OF REGULATED SUPPLY PRICES** FOR THE ELIGIBLE CUSTOMERS
- **DEVELOPMENT AND IMPLEMENTATION OF SCHEMES AND RELIABLE MECHANISMS FOR PROTECTION OF SOCIALLY VULNERABLE CUSTOMERS (HOUSEHOLDS)**



# ENERGY COMMUNITY Regional Cooperation

## Gas-to-Power – Gas Ring Concept



Presented by the EC at the 1<sup>st</sup> Joint ECRB – PHLG meeting on 30<sup>th</sup> June 2010 in Vienna

**THANK YOU FOR YOUR ATTENTION**

*\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence*