Market liberalization in the South Eastern Europe (SEE) – Barriers in free energy trading

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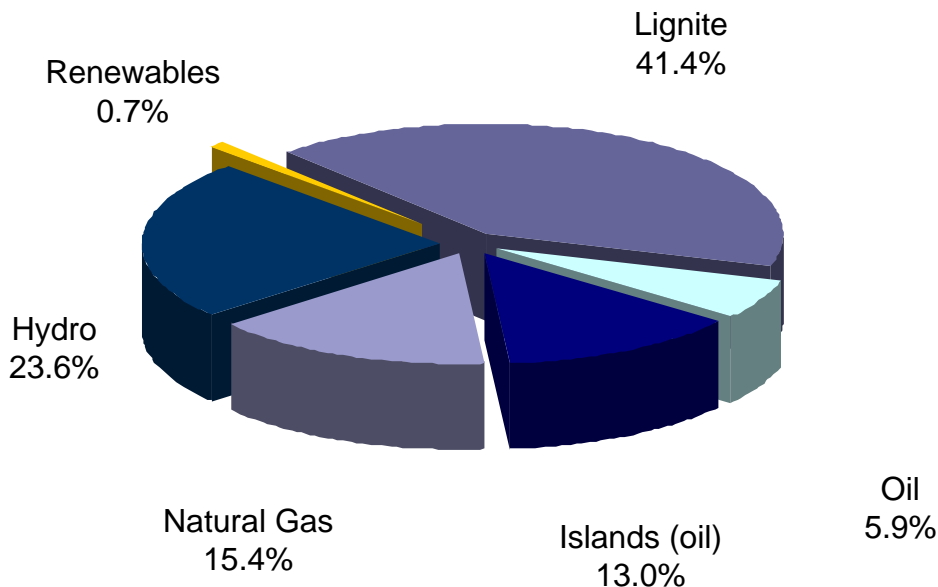# PPC's current Power Plant Portfolio exceeds 12.7 GW in capacity (2007)

	Installed Capacity (MW)	Vintage (Weighted Age in Years)
Interconnected System		
Hydro	3,017	28
Lignite	5,288	25
Fuel Oil	750	36
Natural Gas	1,966	14
Total	11,021	
Islands		
Crete	770	15
Rhodes	234	14
Small Islands	650	36
Total	1,654	
Renewables		
Total	91	

Installed Capacity by Fuel Type

- Lignite 41.4%
- Renewables 0.7%
- Hydro 23.6%
- Natural Gas 15.4%
- Islands (oil) 13.0%
- Oil 5.9%

Usual Commercial Capacities 2007-2008

RO
100-200 MW

AL

FY

50-100 MW
(exchange)

0-100 MW

BG
600 MW

IT

GR

TR
(temporary island operation during Aug 2007)

500 MW

100-200MW
(exchange)

100-500 MW
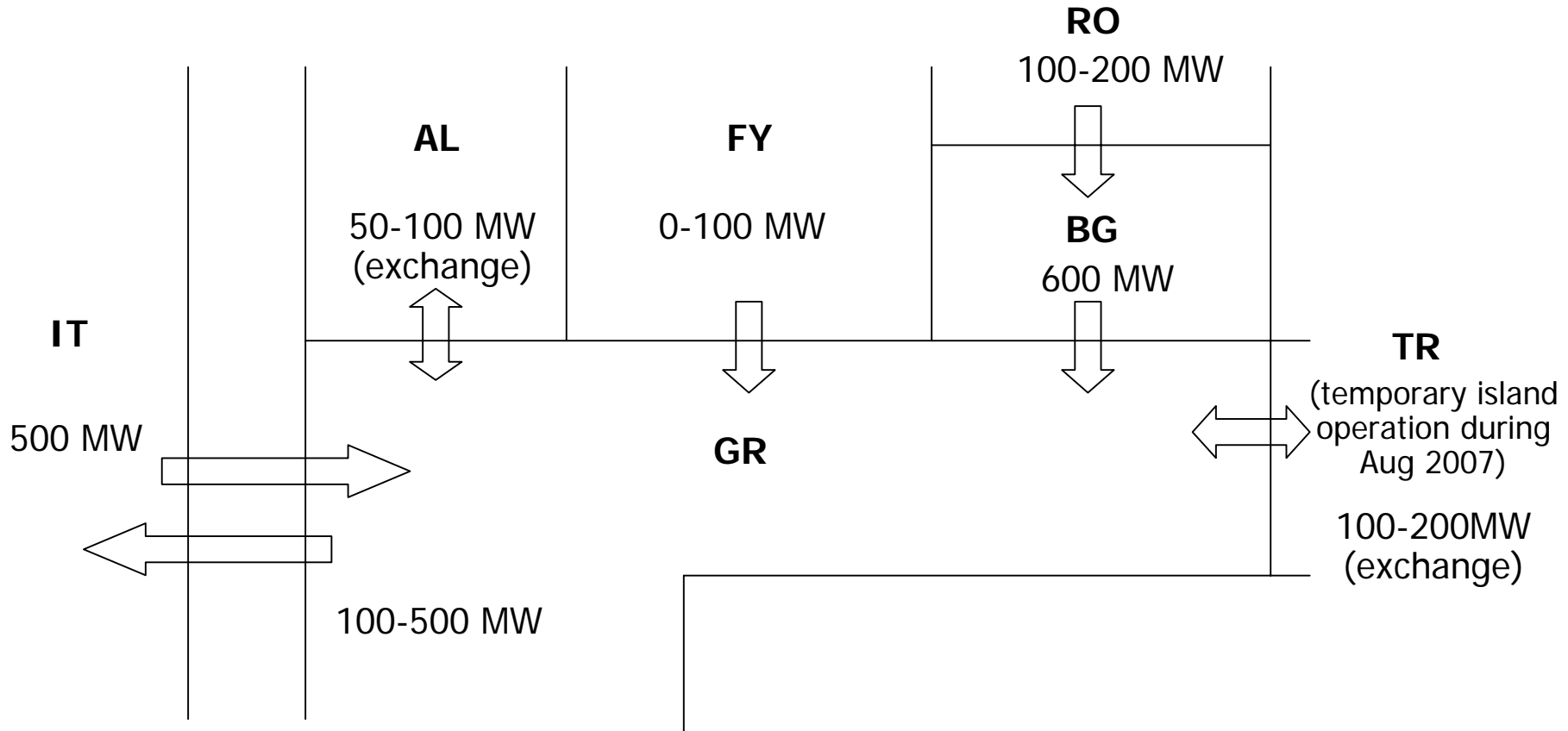
PPC Imports/Exports

Year	Imports [GWh]	Average Unit Price [EUR/MWh]	Exports [GWh]
2002	2.985	30,08	347
2003	2.924	28,70	1.108
2004	3.037	34,39	1.432
2005	2.782	36,77	634
2006	2.810	38,49	598
2007	2.750	73,09	88

SEE – geographical scope

Physical Energy Flows (2006)

Source: UCTE
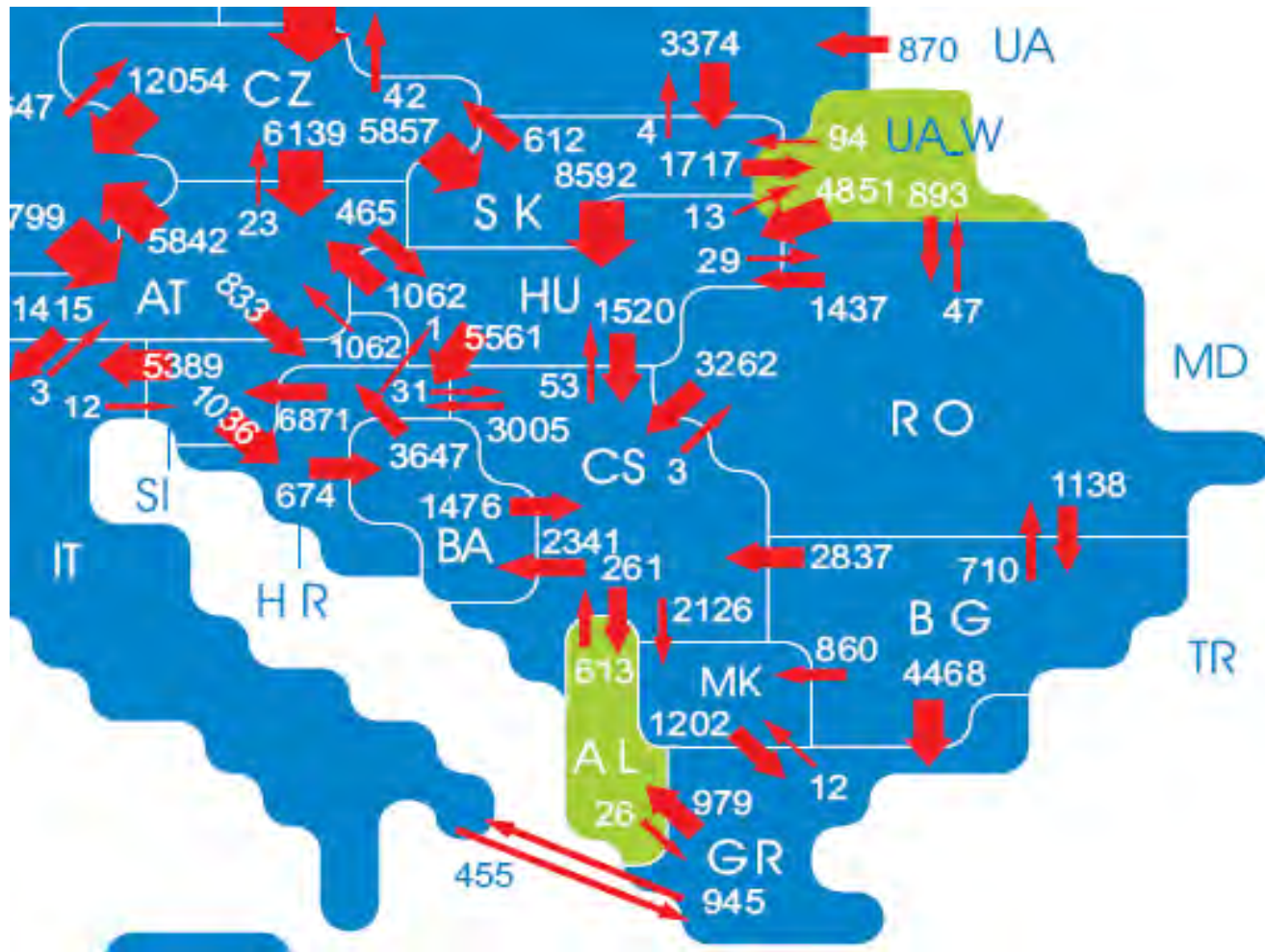
Installed Capacity (2005)

COUNTRIES	Installed capacity by fuel [MW]				
	Thermal	Hydro	Nuclear	Renewables	Total
ROMANIA (RO)	10.176	6.245	655	1	17.077
BULGARIA (BG)	6.553	2.870	2.880	0	12.303
GREECE (GR)	8.172	3.059	0	644	11.875
SERBIA & MONTENEGRO (CS)	5.734	3.524	0	0	9.258
CROATIA (HR)	1.944	2.080	0	8	4.032
BOSNIA & HERZEGOVINA (BA)	1.797	2.092	0	40	3.929
FYROM (MK)	1.010	518	0	0	1.528
ALBANIA (AL)	160	1.440	0	0	1.600
TURKEY (TR)	25.879	12.941	0	0	38.820

Expansion of SEE energy market

- Higher demand growth
- Volume of yearly production in SEE = volume of yearly production in Germany
- New investments are needed

Market liberalization is essential

- No barriers in trading → market integration → better conditions for foreign investments

- Efficient & reliable regulatory framework

- Consistent market rules, unified European trading license

- Remove of legislative & bureaucratic obstacles, ensure transparency

- Restricted price interference

Role of the TSOs

- Firm capacities at maximum levels on a long – term basis
- Effective congestion management & allocation of capacity (EC 1228/2003)
- Profitable use & investment of congestion income
- Potential Establishment of SEE Coordination Auction Office (CAO)

Thank you for your attention