



Coordinated Auction Office Successful outcome of the regional project in SEE

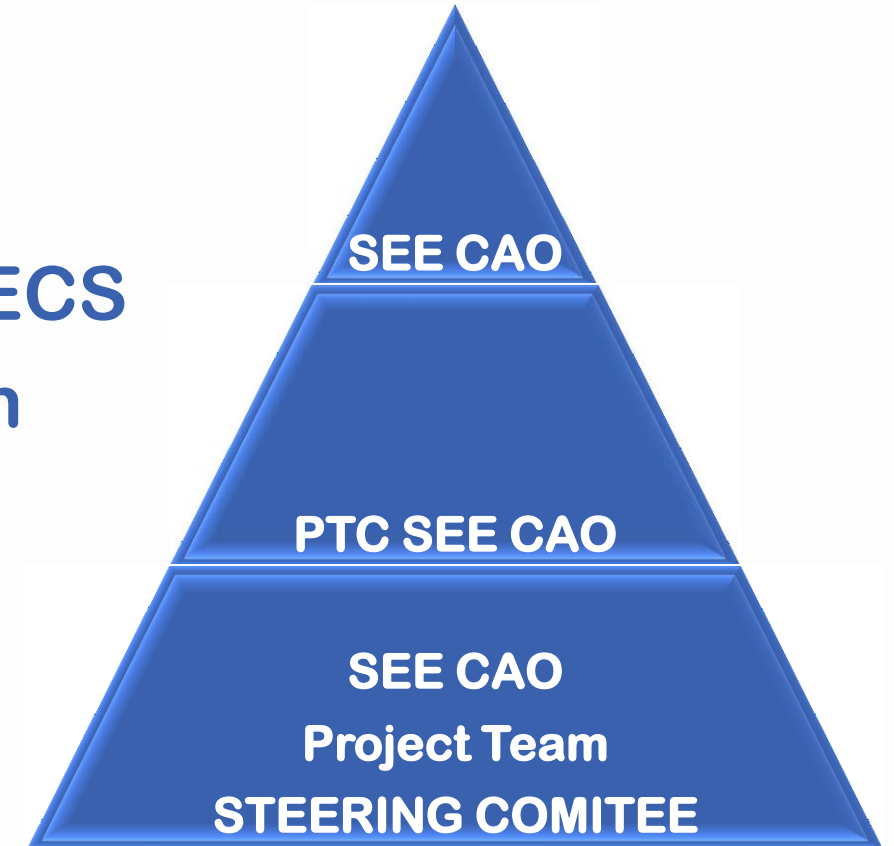
Mr Aleksandar Mijušković
Executive Director

Summary

- Introduction
- Accomplished activities
- Pending issues
- What SEE CAO brings?
- Athens Forum 2014

Introduction

- First Regional Project
- MoU signed
- Parties involved: SEE TSOs, IFIs, EC, ECS
- High level political support obtained in the MC, PHLG
- Athens Forum
- NRA Support
- “Bottom-Up”



Accomplished activities

Organizational:

- Company preregistered successfully
 - From 1st of April 2014
 - New name and core business activity
 - 7 participating TSOs
- Auction Rules
- Staff
- Additional TSO financial contribution

HOPS

NOS BiH

CGES

KOSTT

OST

IPTO

TEIAS

Accomplished activities (2)

Operational:

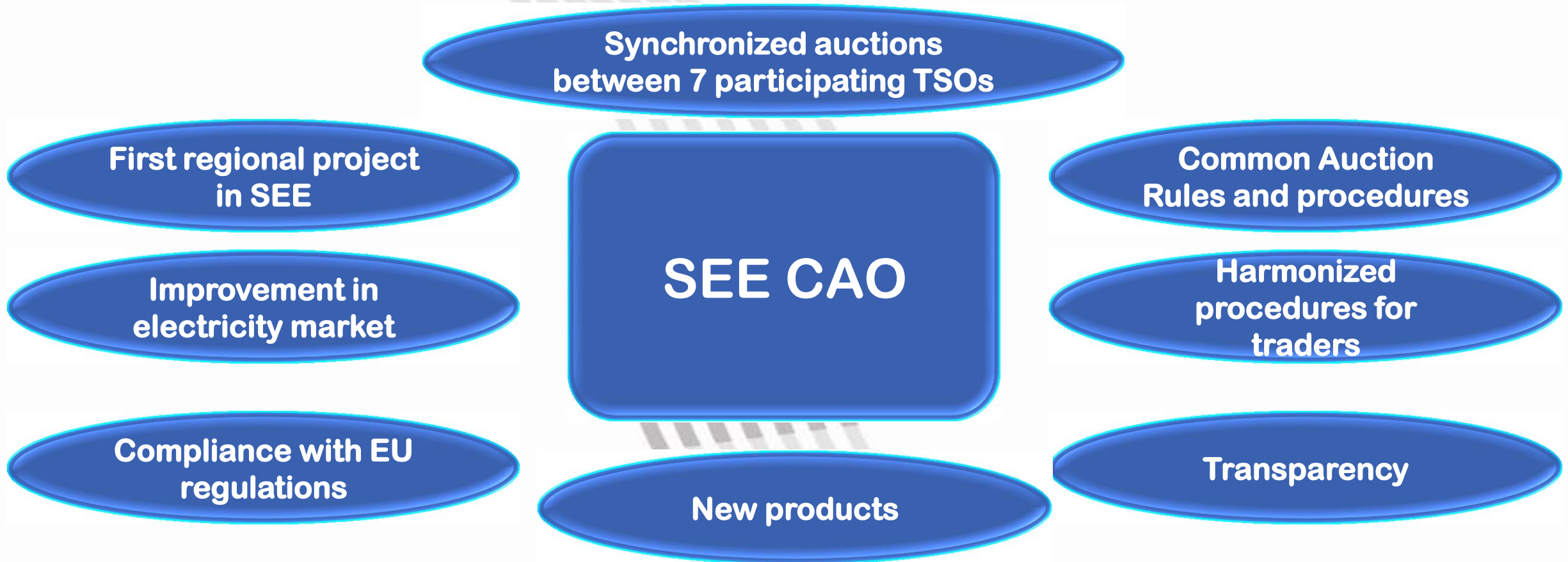
- IT platform
 - DAMAS system – final phase of implementation
- Provided transparency
 - connection with EMFIP (ENTSO-E Transparency Platform)
- EIC Code
 - 35X-SEECAO-ME—Q
- First auctions expected in Autumn 2014

Pending issues

- Participation of all SEE TSOs
 - Basic scope - 8th region in SEE CAO
 - Common Auction Rules for 8th region
- VAT solution
 - Harmonization of VAT regulation in SEE countries
 - Different legal framework for EU, candidates and non EU countries



What SEE CAO brings?



Athens Forum 2014



- Support from AF
 - *welcomed the announcement by the Coordinated Auction Office (CAO) for South East Europe to start allocation of monthly transmission capacities in October and yearly capacities as of November this year*
- Requirement for participation of all TSOs from the 8th region
- Conclusions:

<http://www.energy-community.org/pls/portal/docs/3162024.PDF>

AF 2014 conclusions (1)

16. The Forum welcomes the progress made on establishment of the SEE CAO for long-term capacity allocation and its Director's announcement that a pilot allocation of monthly capacities will start in October 2014 and allocation of yearly capacities (for 2015) in November 2014 for all SEE CAO participating TSOs.

The Secretariat and the Commission offer to continue facilitation in overcoming the only remaining issue, VAT legislation, preventing the Albanian TSO from participation. The Forum welcomes the Secretariat's announcement to publish, following public consultation, Policy Guidelines on VAT and Electricity Trade in autumn 2014.

AF 2014 conclusions (2)

17. The Forum expresses its concerns about lack of participation by the network operators of Bulgaria, FYR of Macedonia and Serbia (hindering the participation of Romania), as a fragmented solution undermines the effectiveness of the SEE CAO project, contradicts Energy Community Treaty obligations and disregards the upcoming EU harmonisation of forward trading rules.

The Forum invites the TSOs of FYR of Macedonia and Serbia to present to the Secretariat by end July 2014 a roadmap with concrete actions and timelines for participation in any regional body performing long-term capacity allocation.

Otherwise, the Forum invites the Secretariat to consider measures, including re-opening infringement procedures against Serbia and FYR of Macedonia to achieve a forward trading mechanism encompassing SEE CAO by 1 December 2014 the latest.

The Forum invites the European Commission to enhance its dialogue with Bulgaria and Romania on this issue.

Thank you for your attention!

**Mr. Aleksandar Mijušković
Executive Director**

Coordinated Auction Office in South East Europe

+382 67 240 201

aleksandar.mijuskovic@seecao.com

www.seecao.com