



The Coordinated Auction Office in Podgorica

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Summary

Introduction

Process

Regional approach

Technical approach

Accomplished activities

Issues

Conclusion

Next steps

Introduction

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



Introduction

7 shareholders

7 SEE Transmission System Operators

- Croatia (HOPS)
- BiH (NOS BIH)
- Montenegro (CGES)
- Kosovo (KOSTT)
- Albania (OST)
- Greece (IPTO)
- Turkey (TEIAS)

7 borders

HOPS

NOS BiH

CGES

KOSTT

OST

IPTO

TEIAS

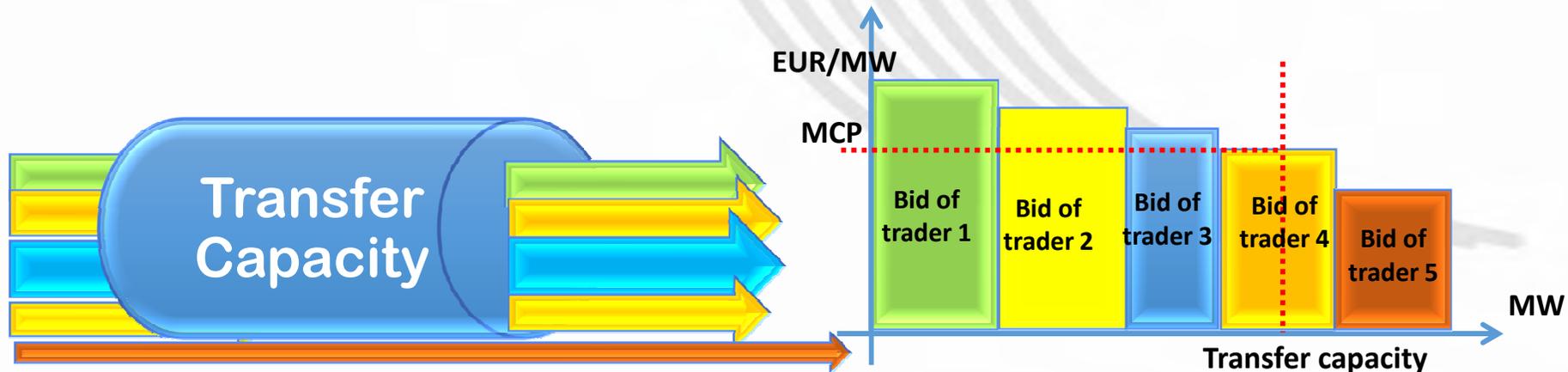
Process

Limited capacity \Rightarrow Auction rules for allocation to electricity traders

TSOs - calculations of the capacities (NTC)

SEE CAO - capacity auctions for all borders/directions

- Based on bids received from traders
- calculations of Marginal Clearing Price and allocated capacity
- Portions of NTC are auctioned at three time horizons - Y, M, D



Process

Current situation

50% ↔ 50% capacity auctions

(TSOs are separately auctioning two portions of capacity)

Different Auction Rules per borders

Different Auction Timing



Future, with SEE CAO

- Full 100% of capacity auctions per border (joint auctions)
- Common auction rules
- Common auction timing

Regional approach

1st regional project

Political support

Common rules & procedures

Following of the EU legislative – in EU and non EU countries

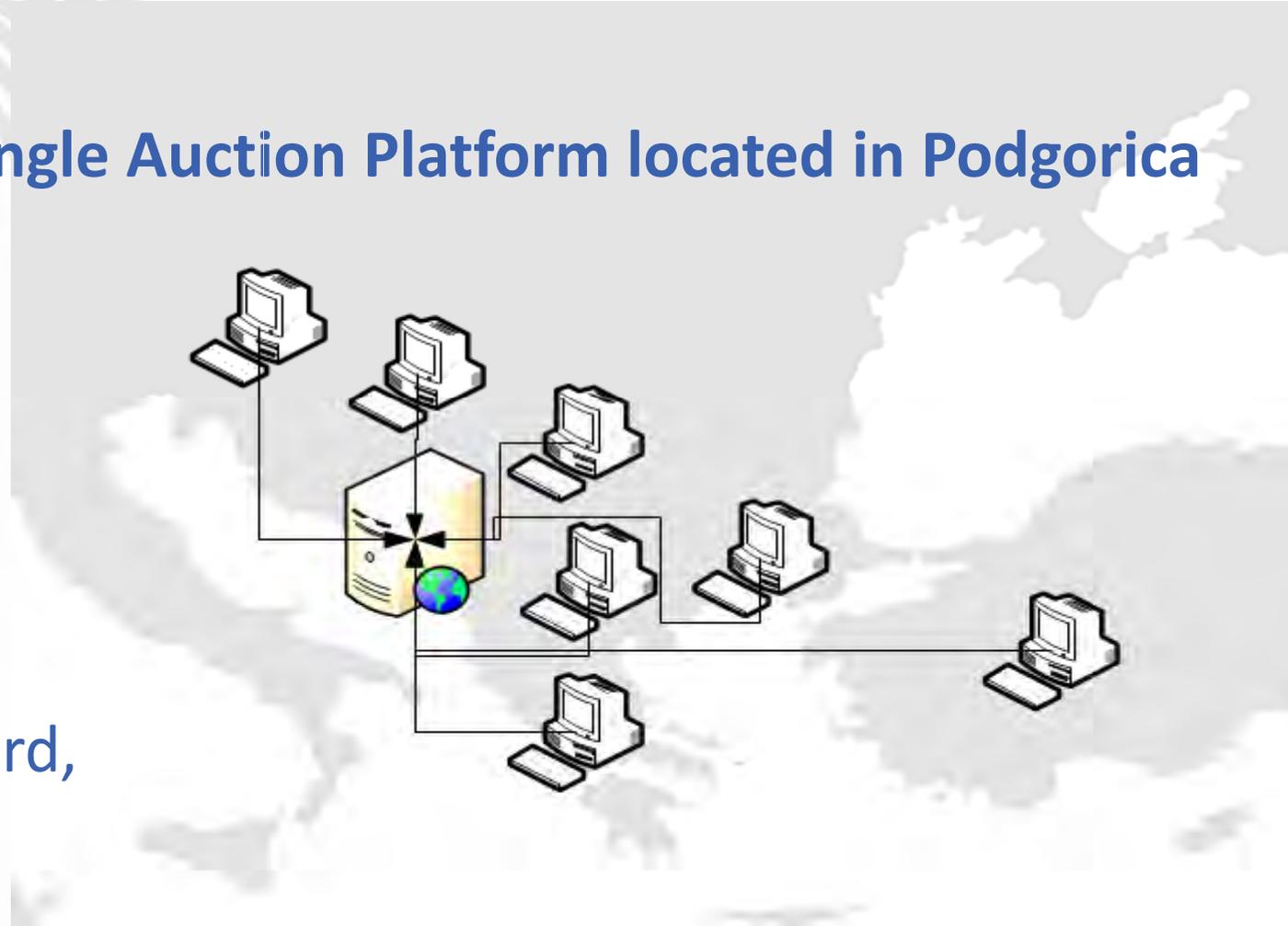
One-stop shop for the capacity

Trading in 7 countries

Unlimited allocation through SE Europe

Technical approach

- 7 different systems → **Single Auction Platform located in Podgorica**
- Web based application
- Synchronised auctions
- Single procedure, standard, rules, registration



Accomplished activities

- **Company preregistered successfully**
 - From 1st of April 2014
 - New name and core business activity
- **IT platform**
 - DAMAS system
- **Auction Rules**
 - V1.1 approved on July 2014
 - Sent to NRAs - 3 NRAs approved, others approval in progress
 - Support from ECRB
- **Staff recruitment**

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 model for EU, candidates and non EU countries



Conclusions



Next steps

- 1st SEE CAO Traders Workshop held on 01st October
- Registration of traders
- Testing planned for October and November
 - Cycles with Traders and TSOs included
- Borders will be published by 10th November 2014
- First auctions expected at end of November 2014

Thank you for your attention!

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