



ORGANIZED DAY-AHEAD AND INTRADAY MARKET WORKSHOP

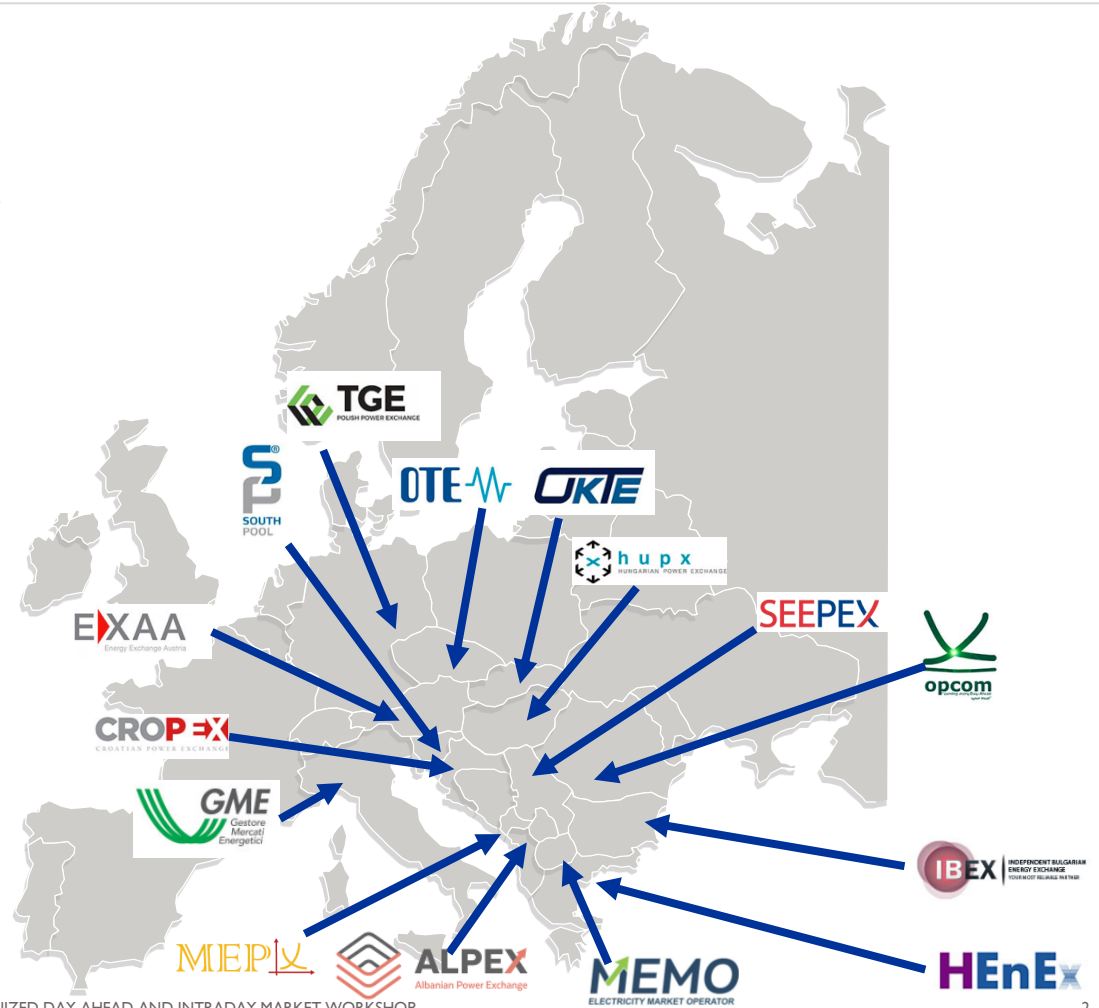
EXPERIENCES IN IMPLEMENTATION OF REGIONAL
PROJECTS

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NEIGHBORING POWER EXCHANGES



NEIGHBORING POWER EXCHANGES – WB6

SEPEX (EMS, EPEX SPOT)

Functional

ALPEX (OST, KOSTT)

Training

MEPX (CGES, EPCG, COTEE)

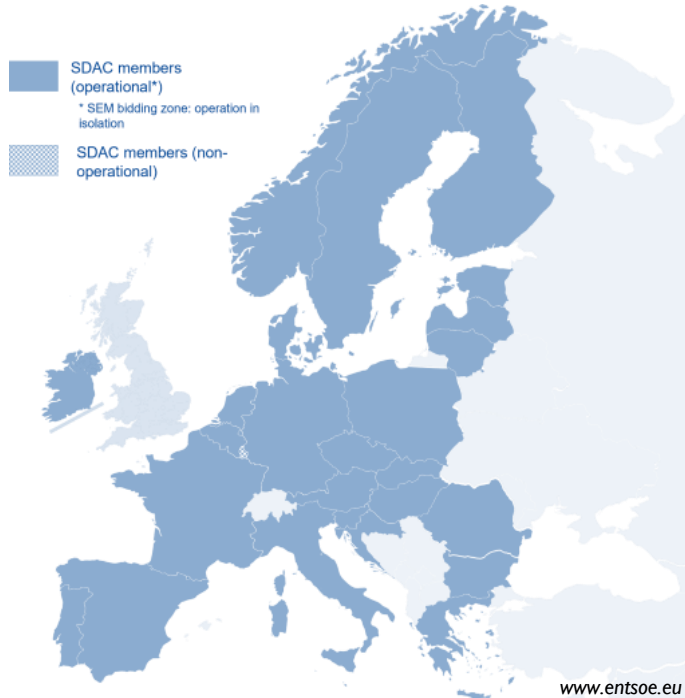
Implementation

MEMO (MEPSO)

Implementation



EU MULTI REGIONAL COUPLING BENEFITS



- Single pan European day-ahead electricity market
- 61 bidding zones, 35 TSOs and 16 NEMOs
- **~ 99% of EU** consumption is coupled
- ~1.500 TWh/year (*for illustration: total consumption in Europe ~3.200 TWh/y*)
- **~9B€ welfare**

OBJECTIVES

- Single **EU** cross zonal day-ahead electricity market
- Single **pan European** cross zonal day-ahead electricity market
- **WB6 countries** need to implement the same model as EU in order to be integrated into a single EU coupled market

WHY MARKET COUPLING?

1. The **most efficient way** (to maximize the utilization of the XB capacity at the lowest price) of allocating scarce XB capacity
2. **More possibilities for all market players** from all markets (lower XB capacity cost, larger market /liquidity/competition, bigger opportunities, more robust prices, higher efficiency...)
3. **Non-coupled = isolated = more price sensitive**
4. Increased competition, economies of scale, increased generation diversity, decreased market concentrations, **better RES absorption capacity**

OBJECTIVES – HOW?

- Legal and Regulatory framework & environment
 - CACM
- **Starting positions** are different
 - EU countries **vs.** non-EU countries
 - Different initial positions of **market development** in neighboring countries
 - **Joint** visions and approaches related to market coupling
 - Business **environment**
 - Example: *Greece-Italy/Greece-Bulgaria different dynamics of implementation*

OBJECTIVES – HOW?

- Market coupling with the EU electricity market **must happen** (there is no other way)
- **Any initiative** (individual, neighborhood, group...) from the region leading to market coupling (any) **is welcome**
- This approach is more effective because of the following:
 - The countries of the region are in **different initial positions** (stage of market development, legislation, readiness...)
 - The **dynamics** of implementation are different
 - but the **goal is the same – electricity market coupled with EU market**

INITIATIVES

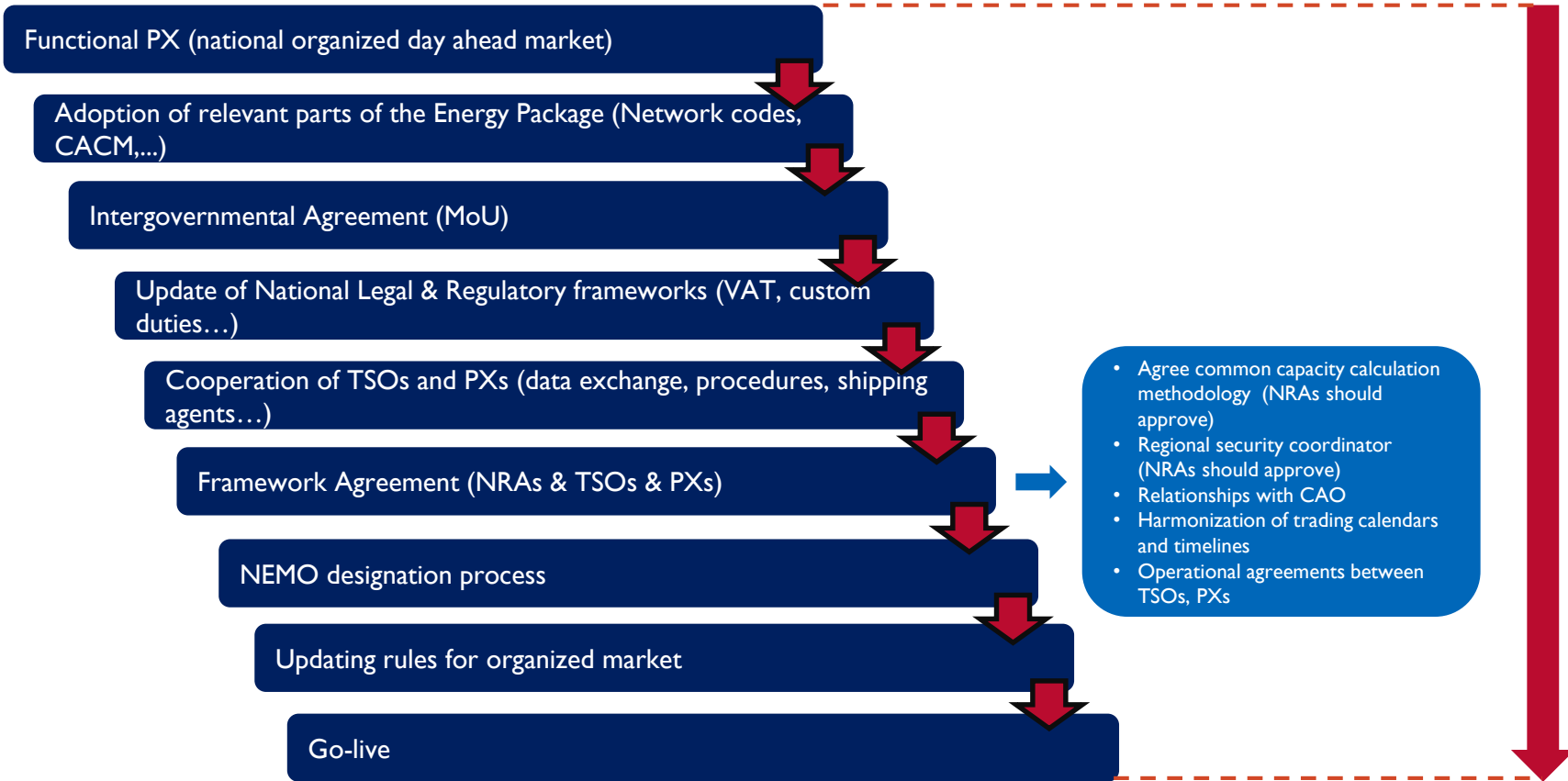
Ongoing WB6 market coupling projects and initiatives

- ALPEX (Albania-Kosovo)
- AIMS (Albania-Italy-Montenegro-Serbia)
- MoU for market coupling of SEEPEX (Serbia) and HUPX (Hungary)
- MoU for market coupling of MEMO (North Macedonia) and IBEX (Bulgaria)
- MEPX (Montenegro) and SEEPEX (Serbia)
-

STEPS TO FUNCTIONAL PX



STEPS TO MARKET COUPLING



KEY CHALLENGES

- Establish a **functional** Power Exchange (*to be able to operate*)
- Ensure **liquidity** (*to be sustainable*)

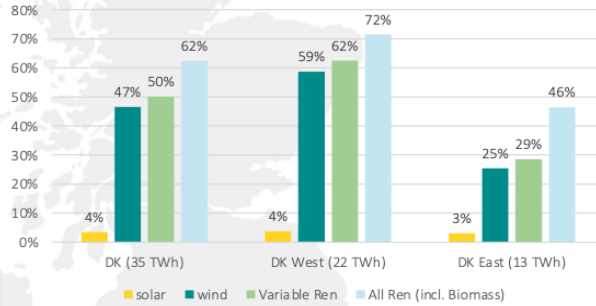
REGIONAL COUPLING BENEFITS

- DENMARK CASE
- CROATIA – SLOVENIA CASE

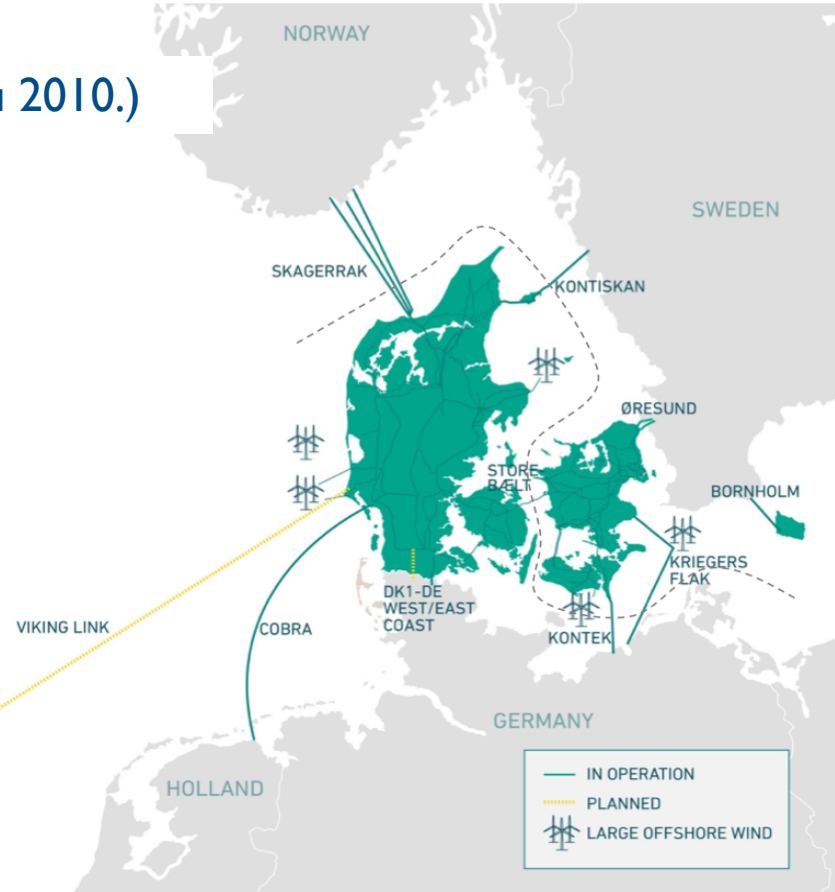
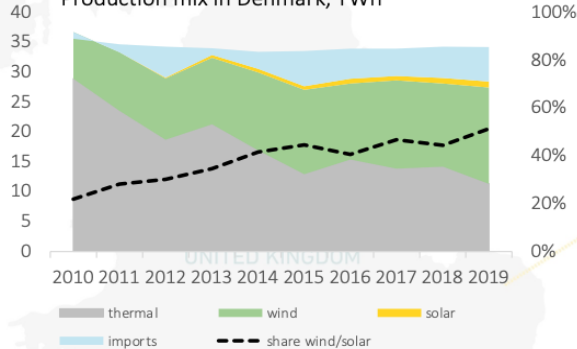
REGIONAL MARKET – A KEY FOR RES INTEGRATION (DK EXAMPLE)

50% VARIABLE RES-E IN 2020. (20% u 2010.)

DK renewables share of load, 2020 (load)



Production mix in Denmark, TWh



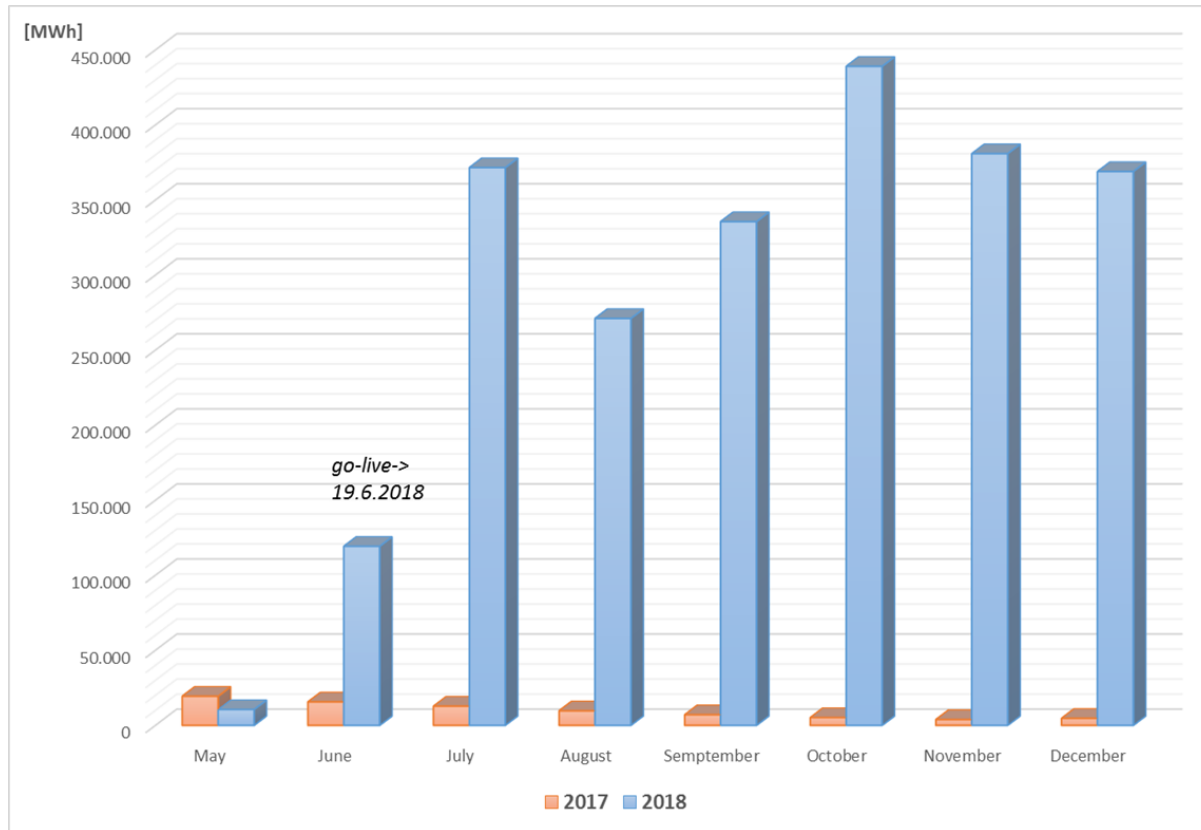
REGIONAL MARKET – A KEY FOR RES INTEGRATION (DK EXAMPLE)

....YET HIGH SECURITY OF SUPPLY

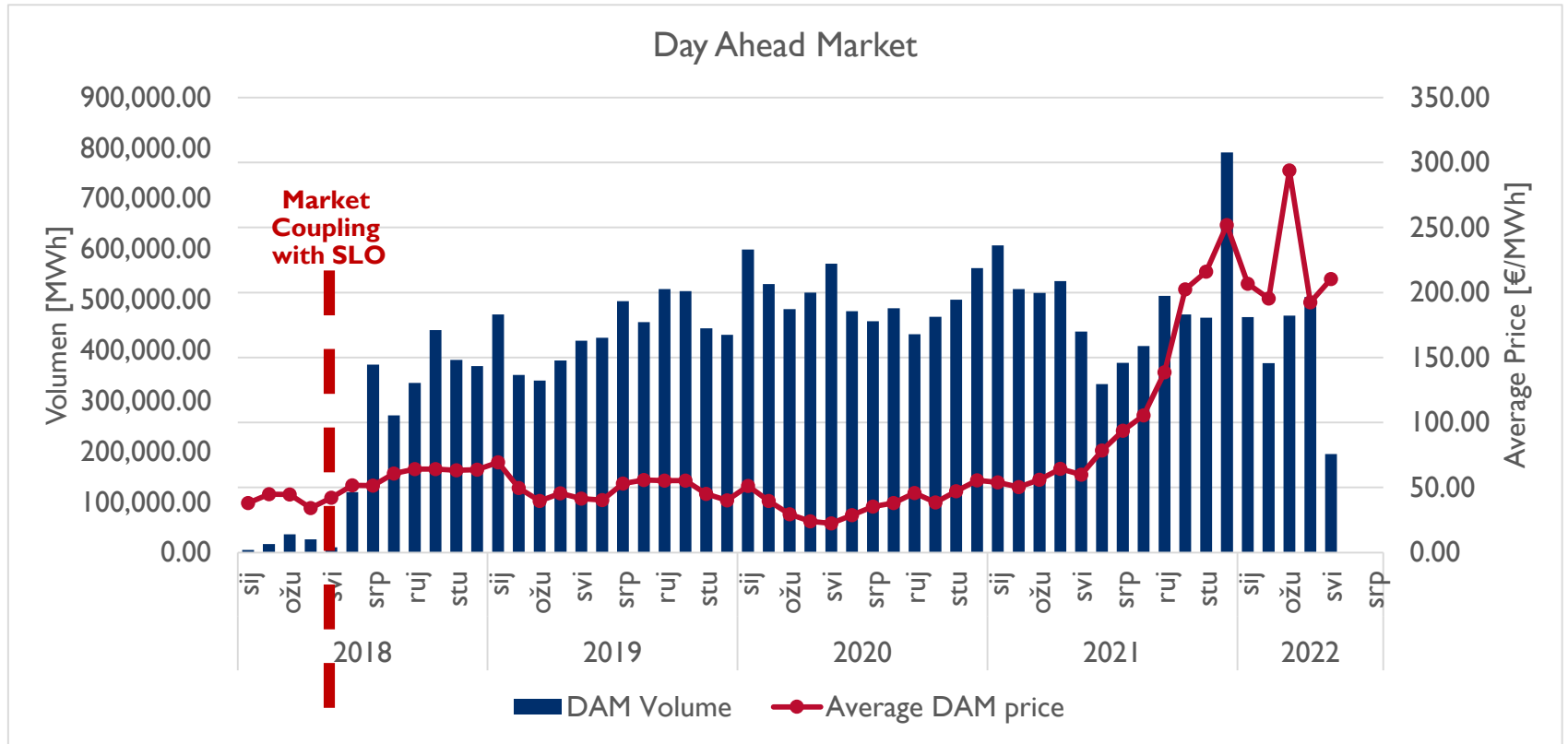
Danes have electricity **99.9%** of the time



CROPEX TRADING VOLUME 2017-2018



CROPEX DAY AHEAD TRADING VOLUME 2018–2022



CRO-SLO MARKET COUPLING MAIN BENEFITS

Year	DA Volume
2016	~260.000
2017	~240.000
2018	~2.400.000
2019	~5.000.000

1. **Market liquidity doubled**
2. **Increase of capacity allocation efficiency** - After MC congestions appeared **only 0,69%** of time compared to ~50% before MC
3. **Reliable price signal** - TSOs **buy losses** on daily market at lower risk; development of **flexible products** for end consumers
4. **Simplification** of operational procedures **on TSO and MP side**



**“If you can't fly, then run,
if you can't run, then walk,
if you can't walk, then crawl,
but whatever you do,
you have to keep moving forward.**

— Martin Luther King Jr.



**ENERGY
BRIDGE**

THANK YOU FOR YOUR ATTENTION

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