



Electricity Regional Initiative

Central Eastern Europe

Walter Boltz, E-Control GmbH

XIII Florence Forum, September 7th 2006

Process and actions



	Meetings	Actions
RCC	April 4 th May 29 th August 2 nd	<ul style="list-style-type: none">● Identification of priority issues● Discussed substance on priority issues, preparation of SG meeting● Discussed substance and way forward on priority issues
IG	April 25 th July 12 th	<ul style="list-style-type: none">● Analyzed current situations on priority issues● Discussion on congestion management
SG	June 22 nd	<ul style="list-style-type: none">● Shared understanding of aims● Discussions on priority issues● Coordinated further work on priority issues in IGs

Priority issues identified



Short term:

- Congestion Management / full implementation of CM Guidelines
- Transparency and Information management
- Market entry barriers
- Regulatory Competences

Mid term:

- Balancing
- Market design issues of relevance for regional market

The degree of market evolution in the countries in the CEE-Region varies importantly from country to country. Partly essential market elements (e.g. liquid spot and forward markets) do not exist yet – the priorities identified shall support a quick market development.

Work on Congestion Management



- Objectives are
 - ◆ Proper and efficient implementation of legal CM provisions (Regulation 1228/2003 and Congestion Management Guidelines)
 - ◆ Improve efficiency in trade
 - ◆ Congestion Management system shall reflect physical reality in the grid
- TSOs proposed development of load flow based CM system
 - ◆ Creation of common, independent auction office for the Region
 - ◆ Flow based allocation
 - ◆ Common auction
 - ◆ Established two working groups to develop concept and prepare for implementation
- Regular information exchange and discussions between TSOs and Regulatory Authorities
- Regulators objective for implementation first half 2007, TSOs estimate end of 2007

CEE Transparency situation (example interconnections)



Information	Publication	Timeframe	Austria	Czech Republic	Germany	Hungary	Poland	Slovakia	Slovenia
Details on actual outages (planned and unplanned) at the highest voltage level	Immediately after occurrence To be kept available for a minimum of 2 years, preferably 10 years	Time of occurrence	YES	YES (only concerned parties are informed – not public information)	YES	NO	NO	NO (only in monthly evaluation of the operation of the Electrification System, information distribution during the monthly sessions of TSO, DSOs, generators)	NO
Capacity requested (including priority rights) by market participants and capacity offered and assigned by TSOs	After each capacity allocation session	Per market time unit	YES	YES	YES, but on borders to CH, NL no values for capacity requested	NO	YES (requested capacity by number of bids)	YES	YES
Total capacity nominated by market players on interconnections (commercial transactions)	After each session	Per market time unit	NO	NO	NO	NO	NO	YES	NO
Congestion income, volumes and prices in case of auction for regulated assets (hence relevant portion of merchant interconnectors excluded).	After each session	Per market time unit	YES	YES	Congestion income -> NO, only to Regulator; Volumes and prices -> YES	YES	YES	YES (published is the unit price, price per MW)	YES

- Objectives are:
 - ◆ Create the necessary level of market transparency
 - ◆ Ensure harmonized data publication and simple information access for market parties
- Evaluation of the current situation against Draft ERGEG GGP Transparency and Information management
- CEE-Regulators will ensure compatible implementation of transparency requirements resulting from CM guidelines
- There are no clear provisions for generation data
- Creation of dedicated Implementation Group with market parties to work on (quick) voluntary solutions
- ERGEG considers in parallel proposal for legal transparency-framework

Regulatory competences (example Transparency)



Transparency and information management	HU	PL	Slovakia	GER	AT	CZ	Slovenia
Definition of information required for the wholesale market	Reg.	Gov./TSO	Gov./Reg.	Reg.	Reg. with market parties	Reg. with market parties	Reg.
Approval and monitoring of the transparency	Reg.	Reg.	Gov./Reg.	Reg.	N.A.	Reg. (no formal basis)	Reg.
Definition of information management standards (ringfencing of information, etc.)	Reg.	TSO	Gov./Reg.	Reg.	Regional gov.	Gov./Reg.	Reg.

Work on Regulatory competences



- Competences of institutions vary among the countries in the region
- Different regulatory models are applied in the region – therefore not all tasks exist in every country
- This situation influences the functioning of the market – in particular in cross border aspects
- In some cases clearer and compatible (cross border) regulatory competences might be needed
- If the institutions do not cooperate efficiently the goal of a regional market might not be achieved

Conclusions



- Degree of market evolution and existing framework is rather different in the CEE region
- The priority issues identified shall support a quick market development and integration
- Objective of all involved parties is to provide practical solutions to existing trading barriers
- Process and work on the agreed priority issues started – solutions for the priority issues are under development
- Overall coherence with developments in other regions is observed within ERGEG and other stakeholders
- Support and active involvement of all parties and stakeholders is positive - but there are partly diverging opinions on specific questions and the pace for implementation.

Lessons Learned and Prospects for the Future



- Whilst CEE (and other RIs) efforts show positive results, this process must be fostered, become more efficient & produce results at a faster pace
 - The commitment of ERGEG and national regulators is not enough – a true and full comitment of all stakeholders is required for success
 - E.g. CEE on transparency improvements → proposed by Eurelectric at IG on 22. June 2006, still hope to get it ASAP !
 - It is now time for all stakeholders to deliver on all the commitments which have been expressed by them
-
- ERGEG will – both at the EU level and through RIs regionally – invest all the effort and authority possible to deliver according to the defined priorities and roadmaps

Thank you for your attention !



Walter Boltz

walter.boltz@e-control.at