

Electricity market coupling: first experiences and a way forward

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CZ-SK-HU MC Project goals

- Simplification of cross-regional electricity trade and removal of related obstacles
- Joint development of further market integration
- Introduction of implicit day-ahead allocation of cross-border transmission capacities
- **Preparation for consecutive development towards the Target Model**



CZ-SK-HU Market Coupling



2011-2012 Design and Implementation phase

- Definition of detailed market concept
- Governance structure
- Procurement of systems
- Thorough testing
- Contractual framework

Recent Successful launch on 11.9.2012

- Appreciated by market players
- Welcomed by NRAs and ministries
- Results met expectations

Future Open for other parties

- Close cooperation with Romania
- Other countries are welcomed

2014 Joining of the CWE/NWE region

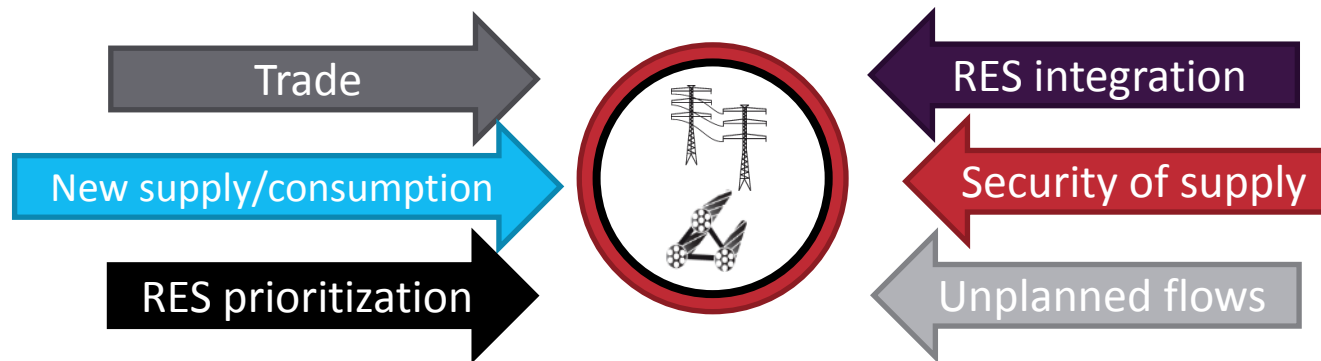
- Follow-up of CZ-SK-HU Markets
- Cooperation with CEE FBMC project

Strong NRAs support helped the project to progress in hard days



Integration challenges

- Maximal level of market coordination agreed
- Competition for transmission capacity



- **Ideally, next steps shall remove congestion between market areas to bring more benefits**
- **However, building new lines takes time**
- Reaching compromises is very challenging



CEE region challenges

- Increasing level unplanned flows throughout CEE region
- V4 Study (CZ, SK, HU, PL TSOs) on Unplanned flows in the CEE region showed
 - Significant disproportion between commercial and physical flows in CEE region
 - DE-PL and DE-CZ profiles show systematically significantly higher level of unplanned flows
 - DE-AT zone has significant impacts on other systems
- We need well designed coordinated capacity calculation mechanism that correctly tackles all relevant interdependencies and ensures required coordination of capacity calculation and allocation



Well unbundled connectivity

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