

South East Europe Electricity Roadmap – SEERMAP
Tirana, December 16, 2016

Coordinated Auction Office in South East Europe

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Director of Market Operation, OST sh.a.
SEE CAO Board of Director member



Summary

Introduction

- I. Organisation
- II. Services
- III. Auction process
- IV. Auction tool
- V. Regional scope
- VI. Accomplishments

Conclusions

Introduction

Coordinated auctions

- Regulation (EC) 714/2009 (3rd energy package) on conditions for access to the network for cross-border exchanges in electricity
 - EnC *acquis* communautaire (2011)
- Implementation in SEE TSOs through regional allocation office - SEE CAO
 - proof of convergence of Balkan countries with the European Union and its legislative framework

I. Organisation (1)



Shareholding TSOs:

- | | |
|---------------|---------|
| 1. Croatia | HOPS |
| 2. BiH | NOS BIH |
| 3. Montenegro | CGES |
| 4. Kosovo | KOSTT |
| 5. Albania | OST |
| 6. Greece | IPTO |
| 7. Turkey | TEIAS |
| 8. FYROM | MEPSO |

I. Organisation (2)

- Coordinated Auction Office in South East Europe
 - July 2012 – Project Team Company SEE CAO
 - April 2014 – SEE CAO
 - Go – Live (1st auctions): November 2014
- Podgorica, Montenegro
- Service providing company

I. Organisation (3)

I. Board of Directors

- 9 representatives of SEE TSOs

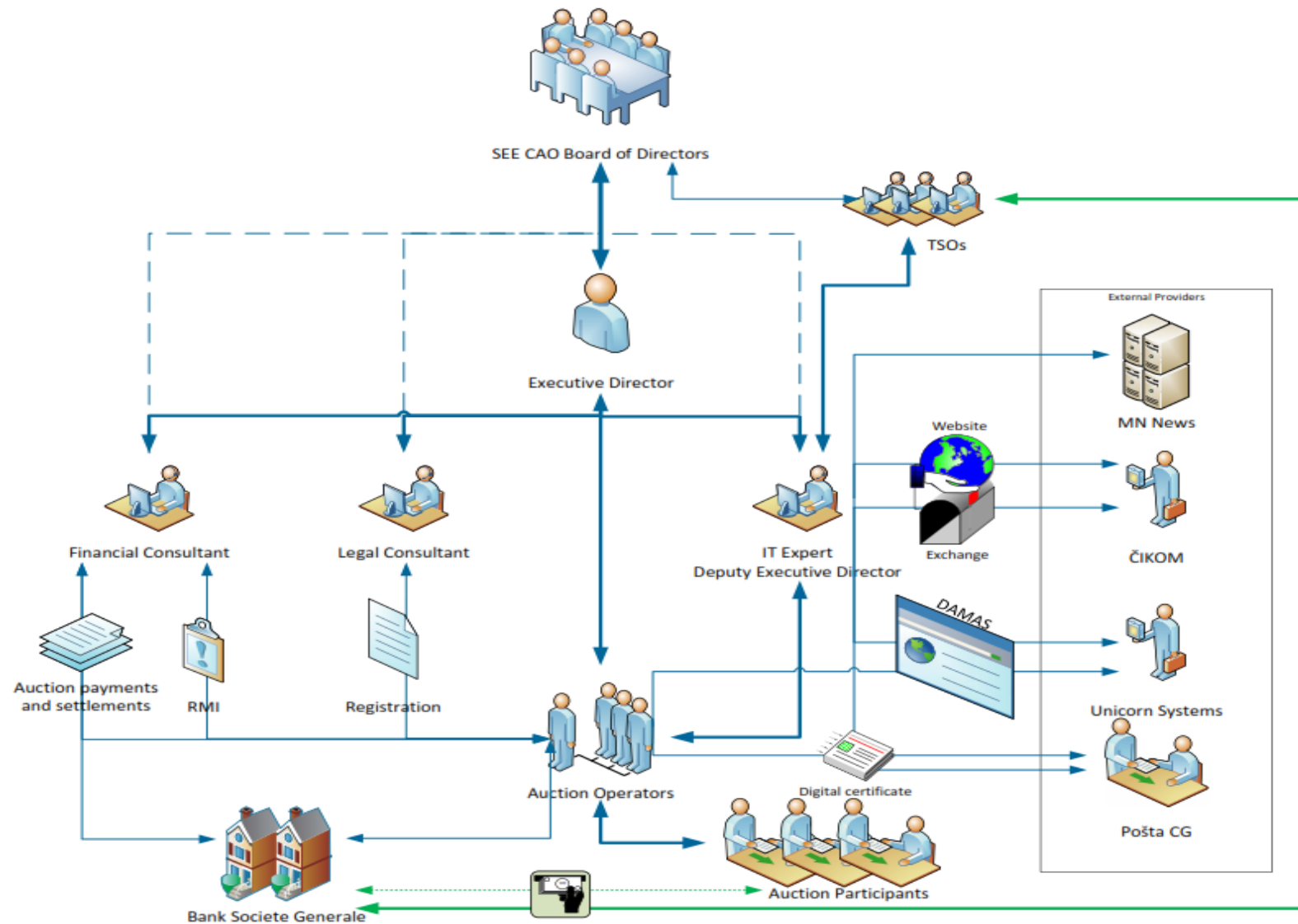
II. Executive Director

- Mr Aleksandar Mijušković

III. Employees (7):

- Auction operators (x4)
- IT expert
- Financial officer
- Administrative officer

I. Organisation (4)



II. Services (1)

- Auctions of cross-border capacity rights:
 - Explicit allocation
 - NTC based method
 - Marginal price algorithm
 - Long term - Yearly, Monthly
 - Day ahead - Daily auctions
 - borders between SEE TSOs

II. Services (2)



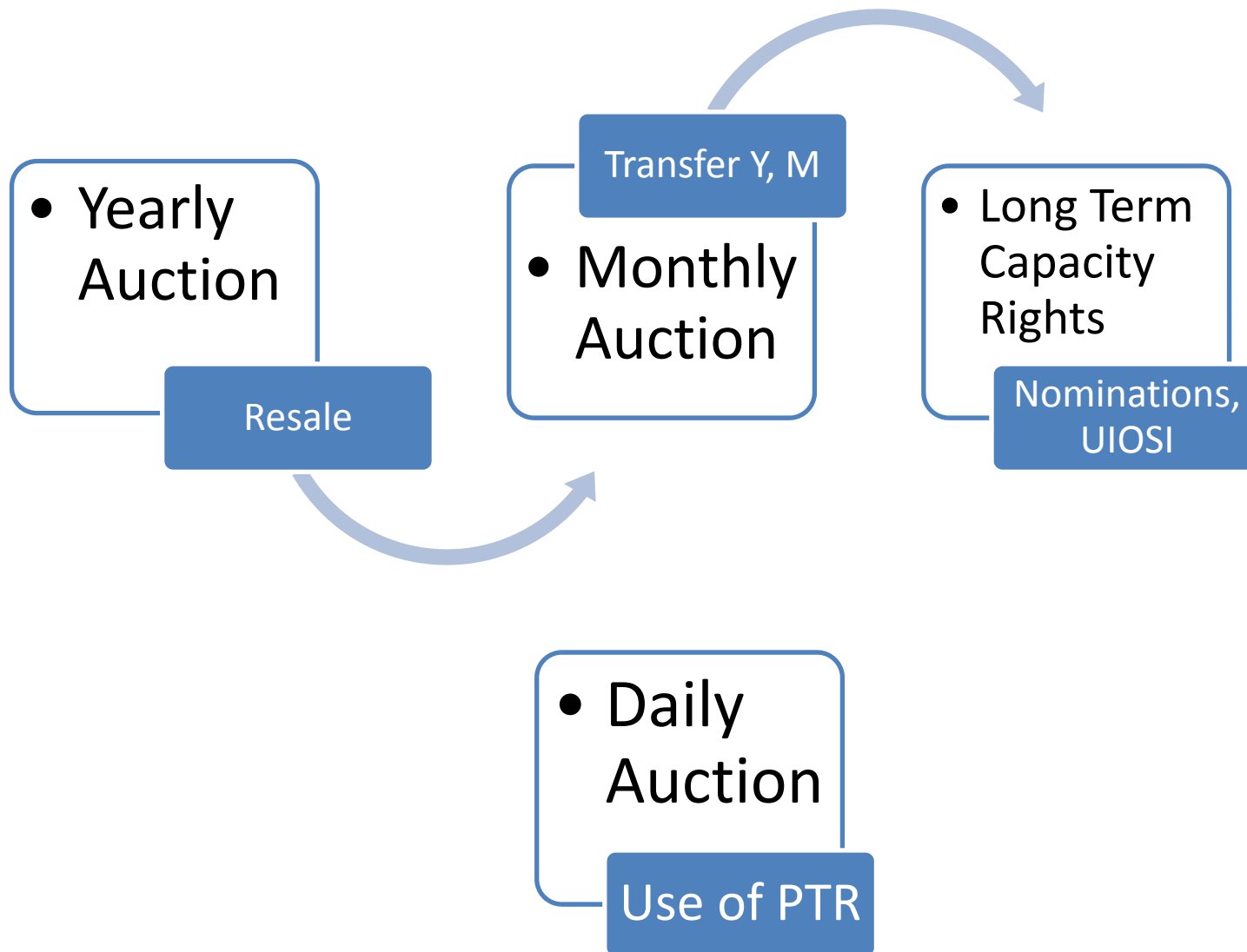
Borders between SEE TSOs:

- 1. Croatia – BiH**
- 2. BiH – Montenegro**
- 3. Montenegro – Albania**
- 4. Albania – Greece**
- 5. Greece – FYROM**
- 6. Turkey - Greece**

II. Services (3)

- **Collecting auction revenue from the Auction participants**
- **Distributing auction revenue to TSOs**
- **Providing data to ENTSO-E Transparency platform**
- **REMIT reporting as Registered Reporting Mechanism**

III. Auction Process



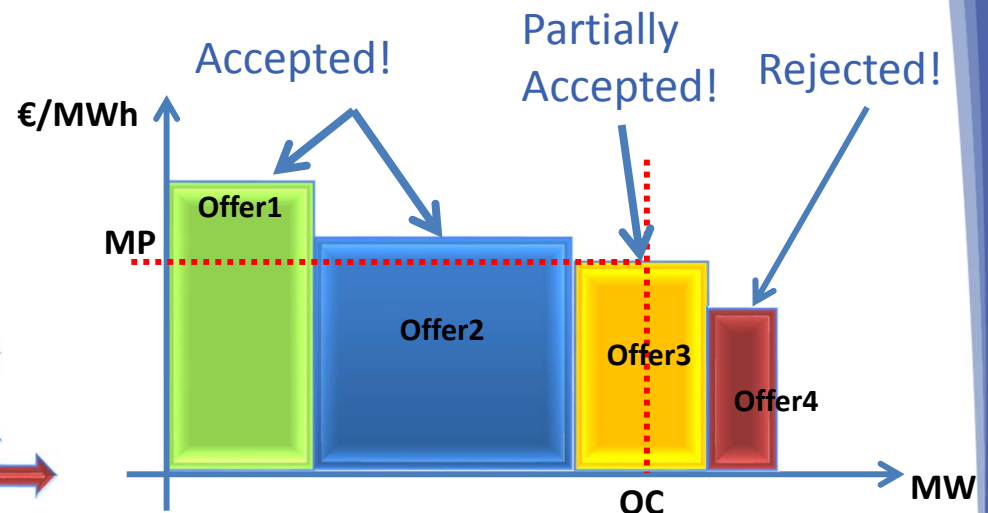
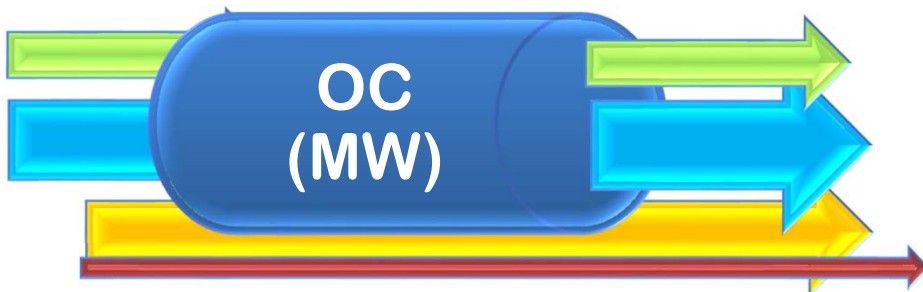
III. Auction process (2)

Auction algorithm (with congestion)

- Offered capacity (OC): MW
- Offers: Requested capacity (RC): MW, Bid price: €/MWh

➤ Calculation of auction results

1. Sorting bids by price, accepting the highest
2. Algorithm based on Marginal price - MP

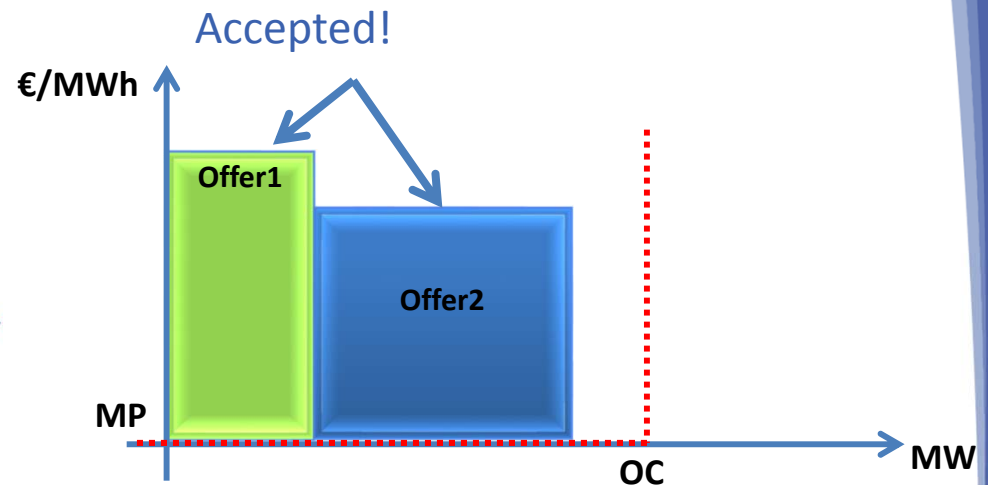


III. Auction process (3)

Auction algorithm (no congestion)

- Offered capacity (OC): MW
- Offers: Requested capacity (RC): MW, Bid price: €/MWh

- $RC < OC$
- No congestion, no incomes for TSOs




IV. Auction Tool (1)

- Before SEE CAO
 - 7 different allocation systems of participating TSOs
 - 7 national auction rules, user accounts, colaterals,...
- With SEE CAO:
 - Single Auction Platform
 - Capacity allocation for 6 SEE borders
 - One stop-shop:
 - registration procedure,
 - data exchange standard,
 - auction rules,
 - colateral,
 - user account




IV. Auction Tool (2)



coordinated auction office
in south-east europe

Messages



Logged user: Dijana Martincic (SEE CAO Operators)

8.12.2016 10:58 CET/CEST

LONG-TERM AUCTION

DAILY AUCTION

CAPACITY RIGHTS

SECONDARY MARKET

NOMINATIONS

FINANCE

MESSAGES

USER ACCOUNT SETTINGS

SYSTEM ADMINISTRATION

About

Logout

☐ **ICO Administrator (SEE CAO Operators), 10:03**

Total Allocation Results document for daily auction ALGR-DH-20161209-05803 was submitted to CAO Web-page.

☐ **ICO Administrator (SEE CAO Operators), 10:03**

Total Allocation Results document for daily auction BAHK-DH-20161209-05797 was submitted to CAO Web-page.

☐ **ICO Administrator (SEE CAO Operators), 10:03**

Total Allocation Results document for daily auction MEAL-DH-20161209-05802 was submitted to CAO Web-page.

☐ **ICO Administrator (SEE CAO Operators), 10:03**

All Daily Auctions have finished for Delivery Day 9.12.2016 and Border direction Greece-Turkey.

☐ **ICO Administrator (SEE CAO Operators), 10:03**

All Daily Auctions have finished for Delivery Day 9.12.2016 and Border direction Albania-Greece.

☐ **ICO Administrator (SEE CAO Operators), 10:03**

All Daily Auctions have finished for Delivery Day 9.12.2016 and Border direction Albania-Montenegro.

☐ **ICO Administrator (SEE CAO Operators), 10:03**

All Daily Auctions have finished for Delivery Day 9.12.2016 and Border direction Montenegro-Bosnia_and_Herzegovina.

☐ **ICO Administrator (SEE CAO Operators), 10:03**

All Daily Auctions have finished for Delivery Day 9.12.2016 and Border direction Bosnia_and_Herzegovina-Croatia.

☐ **ICO Administrator (SEE CAO Operators), 10:03**

All Daily Auctions have finished for Delivery Day 9.12.2016 and Border direction Turkey-Greece.

☐ **ICO Administrator (SEE CAO Operators), 10:03**

Total Allocation Results document for daily auction TRGR-DH-20161209-05806 was submitted to CAO Web-page.

☐ **ICO Administrator (SEE CAO Operators), 10:03**

All Daily Auctions have finished for Delivery Day 9.12.2016 and Border direction Greece-Albania.

V. Regional scope (1)



Yearly Auction 2015

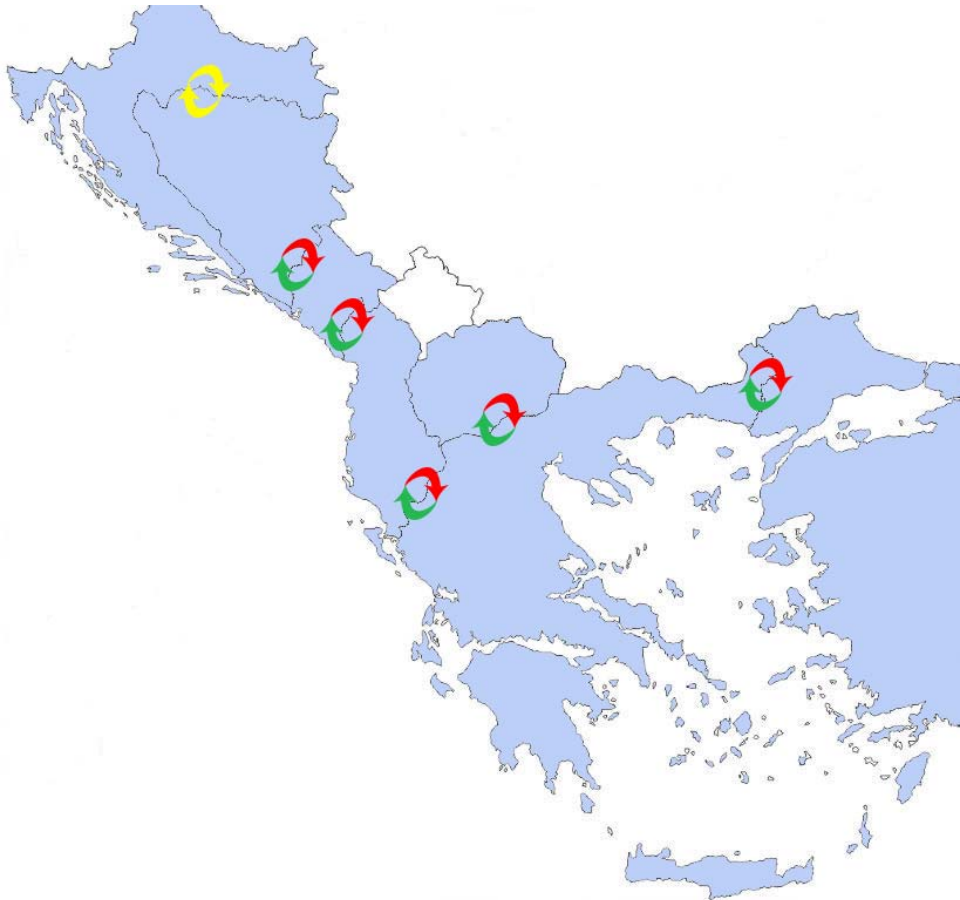
Yearly Auction 2016

Yearly Auction 2017

V. Regional scope (2)

Step forward:

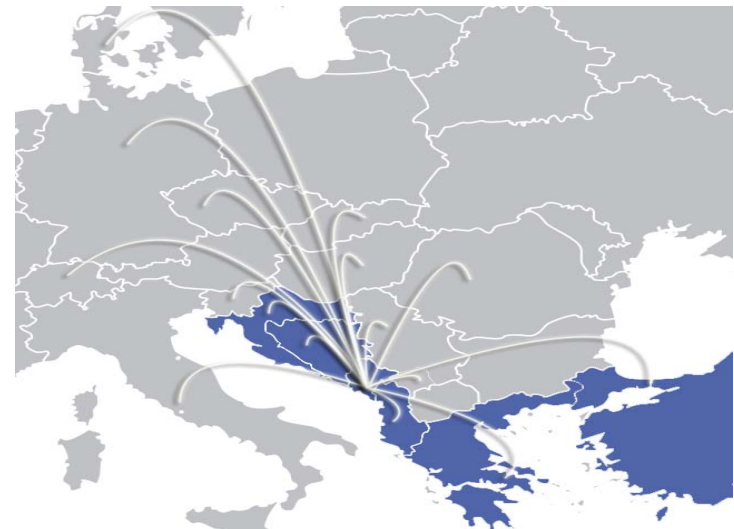
- unilateral/bilateral auctions performed by each TSO →
coordinated auctions performed solely by SEE CAO



VI. Accomplishments (1)

- Coordinated auctions
- Common Auction Rules
- Synchronised auction timing
- New products, secondary market
- Efficient utilisation of capacities
- Transparency (EMFIP, REMIT)

SEE CAO acts as a compulsory point for energy trading in SEE



VI. Accomplishments (2)

100% efficiency:

- ✓ **Maximum possible scope of borders**
- ✓ **2015 - Complete success in auctions**
- ✓ **2016 - Successful ongoing auctions**
- ✓ **2017 - Successful commence with Yearly auctions**
- ✓ **No contestation on the auction results**
- ✓ **Good cooperation with stakeholders**

112

Participants

6

Borders

27

Long Term Auctions

709

Daily Auctions

VI. Accomplishments (3)

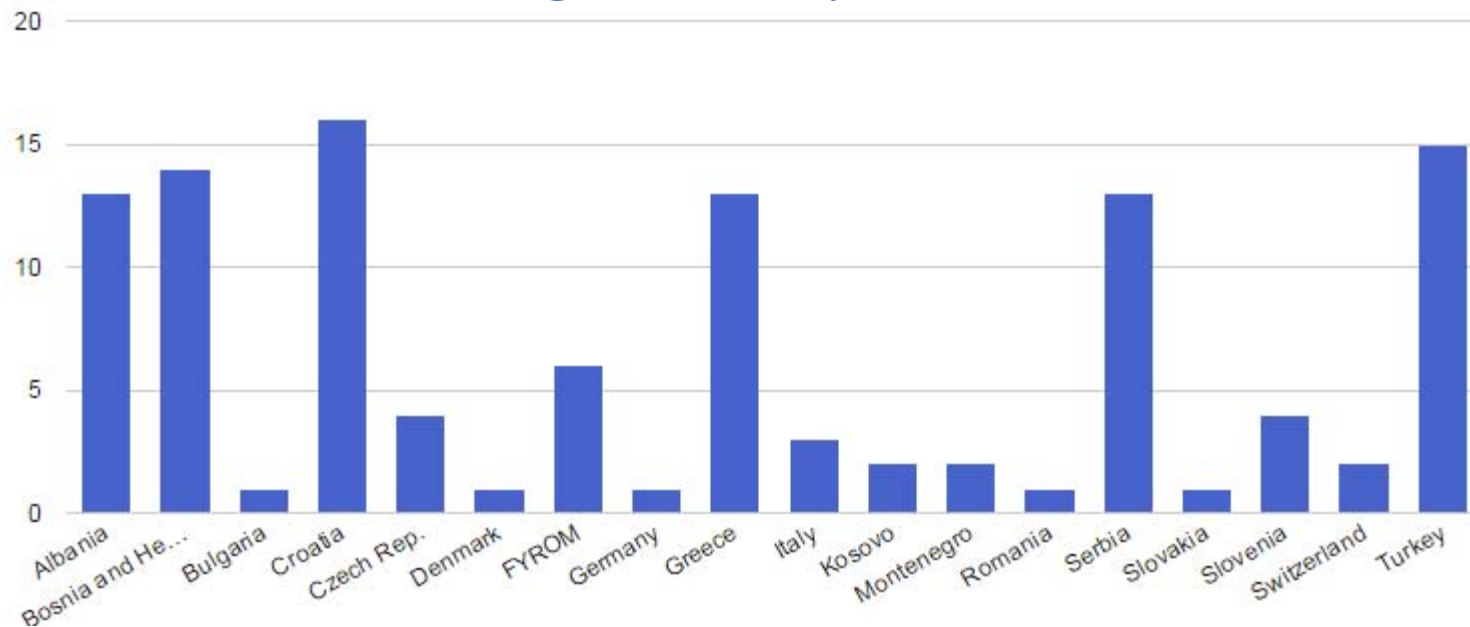
Financing:

- ✓ All payments and settlements from the auctions performed in due time
- ✓ No need for colaterals execution
- ✓ Total collected auction revenue from traders fully distributed to shareholding TSOs
- ✓ SEE CAO budget – financed solely by shareholders through Service Fee

VI. Accomplishments (4)

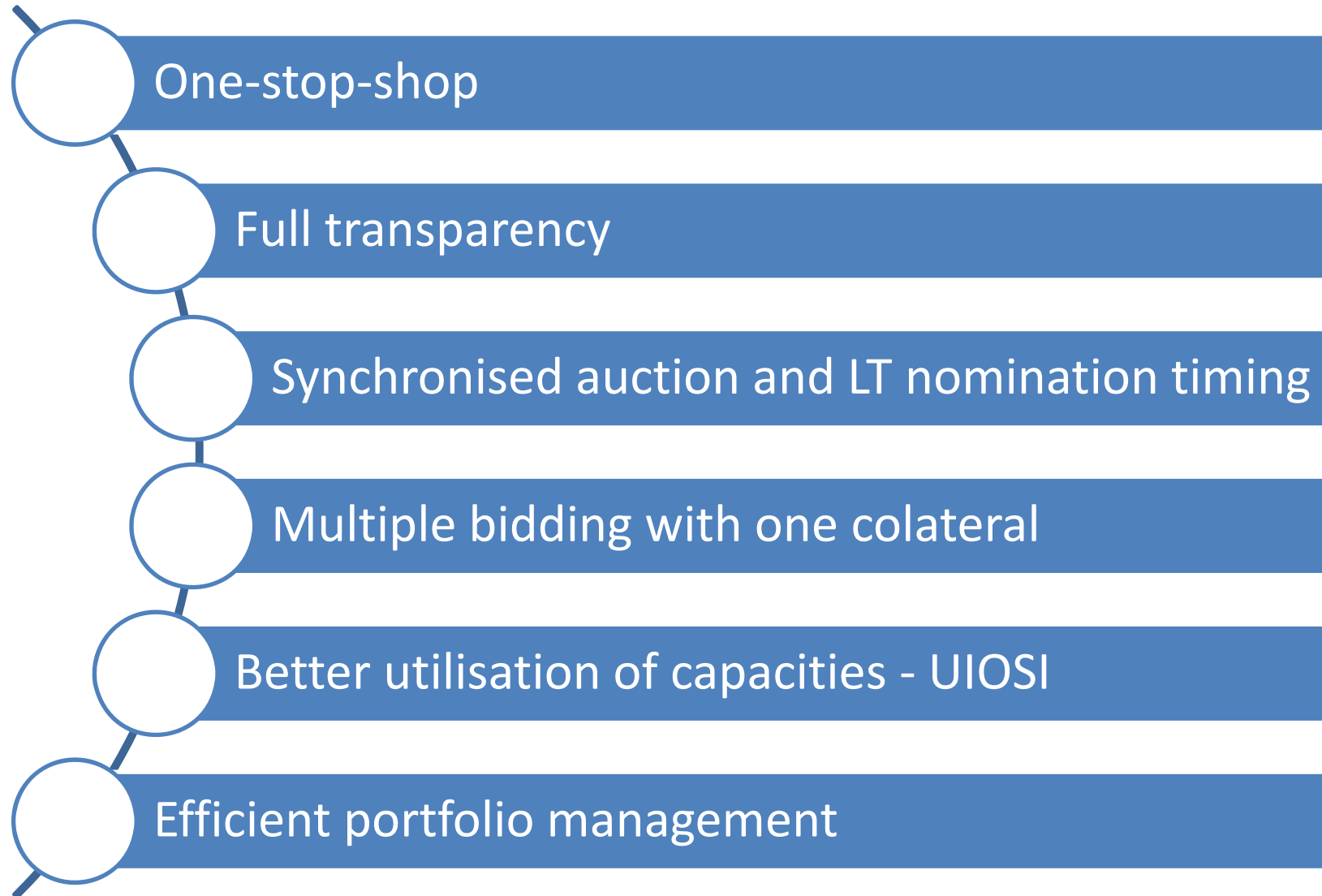
Registered Auction participants

- 112 energy trading companies
- 17 countries
- Positive feedback, good cooperation



VI. Accomplishments (5)

Benefits for traders:



VI. Accomplishments (6)

Regulations concerned:

- 
- EMFIP (REGULATION (EU) No 543/2013) on submission and publication of data in electricity markets

- 
- REMIT (Regulation (EU) No 1227/2011) on wholesale energy market integrity and transparency

- 
- FCA (Regulation (EU) 2016/1719) on establishing a guideline on forward capacity allocation

VI. Accomplishments (7)

Data provider to ENTSO-E Transparency platform:

The screenshot displays the ENTSO-E Transparency Platform interface. The header includes the ENTSO-E logo and a description: "Central collection and publication of electricity generation, transportation and consumption data and information for the pan-European market." A navigation bar contains links for Load, Generation, Transmission, Balancing, Outages, Congestion Management, and Data Pre-5.1.15. The main section is titled "Explicit Allocations - Long term / Medium term" and includes a sub-header "Offered Month-ahead Transfer Capacity [11.1] Explicit Allocations - Use of the Transfer Capacity [12.1.A] (monthly)". A "Day Range" selector shows dates from 08.12.2016 to 10.12.2016. Below this, there are tabs for "Border - Control Area", "Border - Bidding Zone", and "Border - Bidding Zone Aggregation". The "Contract Type" section has radio buttons for Weekly, Monthly (selected), Yearly, and Long term. The "Area" section shows a dropdown menu with "Albania (AL)" selected, and a list of bidding zones: BZN|AL - BZN|GR (selected), BZN|AL - BZN|ME, BZN|AL - BZN|RS, and Austria (AT). The main data table shows explicit allocations for the BZN|GR > BZN|AL border. The table has columns for Time interval, BZN|GR > BZN|AL, BZN|AL > BZN|GR, and Price. The data is presented for the period 01.12.2016 00:00 to 01.01.2017 00:00 (CET). The table shows a Base allocation of 100 MW for BZN|GR > BZN|AL and 428 MW for BZN|AL > BZN|GR, with a price of 0.73 EUR/MW for BZN|GR > BZN|AL and 2.57 EUR/MW for BZN|AL > BZN|GR. Below the main table, there are two smaller tables showing the same data for the period 01.12.2016 00:00 - 01:00.

entsoe
Transparency Platform

Central collection and publication of electricity generation, transportation and consumption data and information for the pan-European market.

Load ? Generation ? Transmission ? Balancing ? Outages ? Congestion Management ? Data Pre-5.1.15

Explicit Allocations - Long term / Medium term ?
Offered Month-ahead Transfer Capacity [11.1]
Explicit Allocations - Use of the Transfer Capacity [12.1.A] (monthly)

Day Range
From 08.12.2016 To 10.12.2016

Border - Control Area Border - Bidding Zone Border - Bidding Zone Aggregation

Contract Type
☐ Weekly
☒ Monthly
☐ Yearly
☐ Long term

Area
Albania (AL) ▼
BZN|AL - BZN|GR
BZN|AL - BZN|ME
BZN|AL - BZN|RS
Austria (AT) ▼

Show fullscreen Export Data ▼

Time interval	BZN GR > BZN AL	BZN AL > BZN GR	BZN GR > BZN AL				BZN AL > BZN GR			
			OC [11.1] [MW]	RC [12.1.A] [MW]	AC [12.1.A] [MW]	Price [12.1.A] [EUR/MW]	OC [11.1] [MW]	RC [12.1.A] [MW]	AC [12.1.A] [MW]	Price [12.1.A] [EUR/MW]
01.12.2016 00:00	Base	1	100	428	100	0.73	100	428	100	2.57

MTU	BZN GR > BZN AL				BZN AL > BZN GR			
	OC [MW]	RC [MW]	AC [MW]	Price [Currency/MW]	OC [MW]	RC [MW]	AC [MW]	Price [Currency/MW]
01.12.2016 00:00 - 01:00	100	428	100	0.73	100	428	100	2.57

VI. Accomplishments (8)

REMIT reporting

- Registered Reporting Mechanism
- ACERCODE: B00062722.ME
- Transportation contracts
 - Total allocation bids and results (long term, daily)
 - Secondary market (resale and transfer)
- Borders: BAHR, ALGR, GRTR, GRMK

Conclusion

- ❖ Next step:
 - ❖ appliance of Harmonised Allocation Rules in SEE
 - ❖ Expanding the scope of serviced borders and participating TSOs within the SEE region
- ❖ SEE CAO has shown its expertise and pivotal role in South East Europe electricity market





Thank you for your attention!

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