



# ECRB Action Plan Proposal

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# Overview of Presentation

- I. Prerequisites to Proceed
- II. Regional Market Design
- III. Project Establishment
- IV. Project Elements
- V. Regional Action Plan
- VI. Local Action Plans
- VII. Next Steps

# I. Prerequisites to Proceed

- a. Review and Acceptance of Regional Market Design*
  
- b. Project Establishment*

## II. Review and Acceptance of Regional Market Design

- Review of WB WMO Study by each CP, Bulgaria, Romania (hereinafter: Parties).
- Acceptance of WB WMO Study main proposals by each Party:
  - Full Acceptance (by all Parties)
  - Partial Acceptance (even by one Party)



## II. Review and Acceptance of Regional Market Design

- In case of Partial Acceptance:
  - Each Party state items with which it disagrees.
  - All Parties determine alternative design.
  - Parties agreeing to alternative design:  
**Proceed with implementation!**



## II. Review and Acceptance of Regional Market Design

- Each Party should clearly specify:
  1. **Way of Participation** of Local Market in *“Regional Market”*
  2. **Target date** of joining the Regional Market
- Based on the above:
  - a. Determine Nucleus around which Regional Market will be built and how this will be gradually extended
  - b. Set target completion date for Regional Market



## II. Review and Acceptance of Regional Market Design

- Replies so far:
  - a. Bulgaria: Accept in general, but timeframe is considered tight.
  - b. UNMIK: Accept in general, but timeframe is considered tight.
  - c. Serbia: Accept in principal, some considerations are stated.
  - d. Bosnia and Herzegovina: Accept in general, but timeframe is considered tight.

# III. Project Establishment

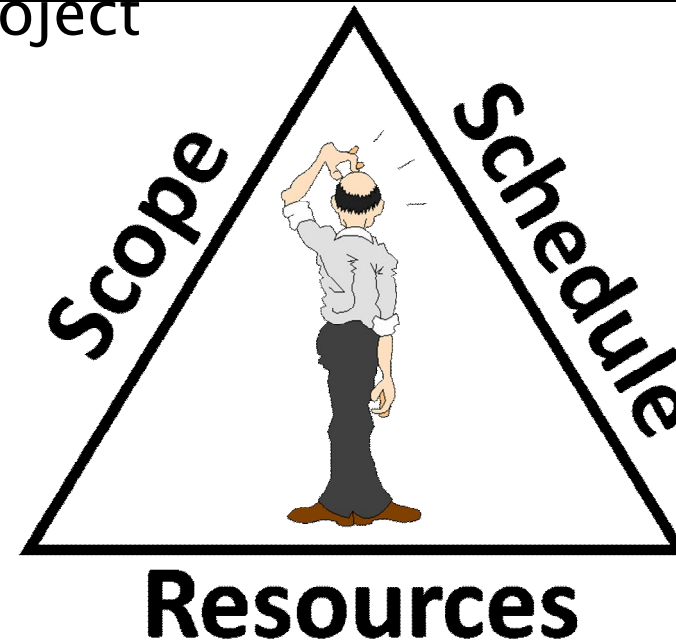
- Determine how the Project will be organized
  - Project Team ?
  - Role of Regional Bodies: ECS, ECRB, PHLG, MC
  - Role of Local Bodies: RAs, TSOs, MOs, Ministries





# III. Project Establishment

- Select Regional Project Manager
- Form Regional Project Team
- Finalize details of WMO Project
  - Detailed Project Plan
  - Budget
  - Financing Plan



# III. Project Establishment

- Regional Project shall:
  - Develop detailed Regional Action Plan **based on** Parties' feedback and Local Action Plans
  - Provide a realistic and **acceptable by all timeframe** for its implementation
  - **Coordinate activities** both on local and regional level, including the necessary harmonization of market and grid codes

## IV. Project Elements

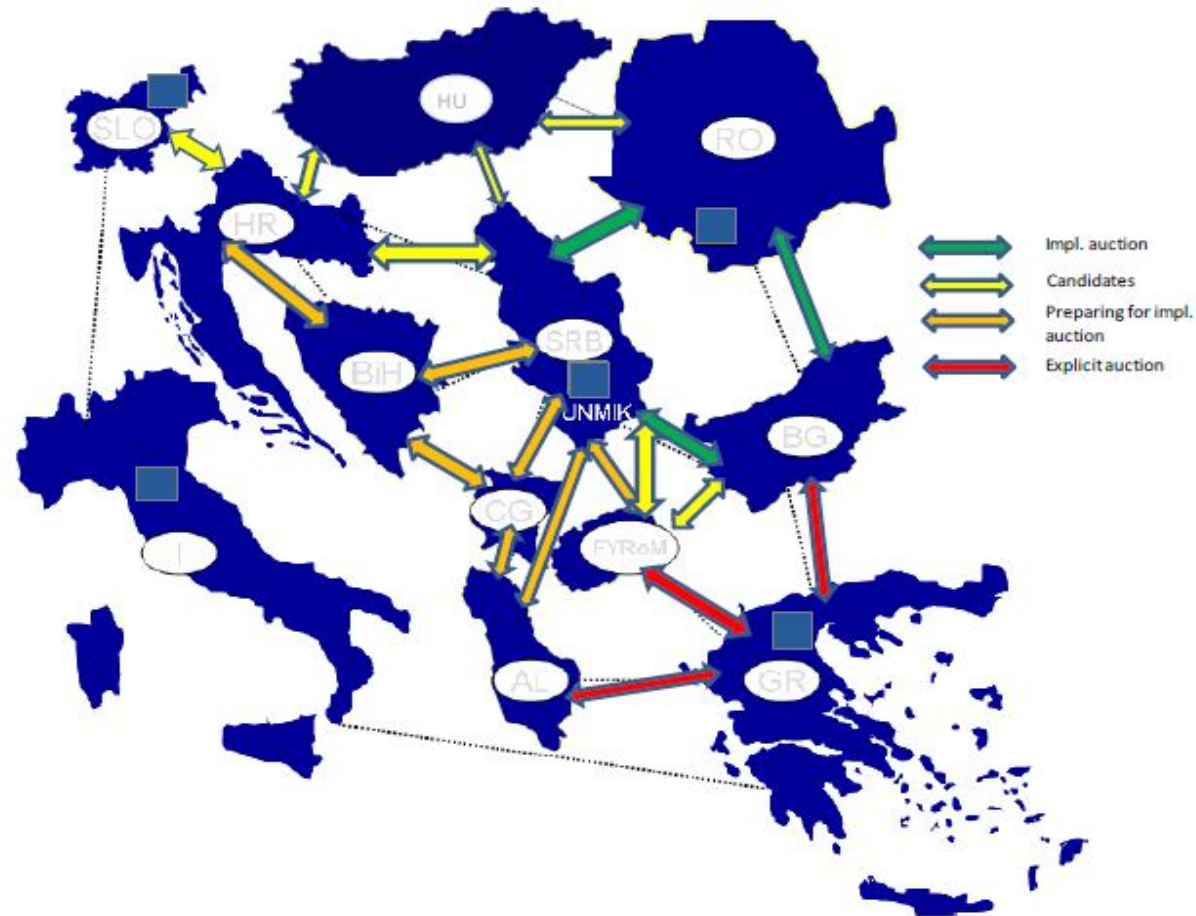
- Regional Action Plan
  - Coordination via one Project
- Local Action Plans
  - Measures on national level

# V. Regional Action Plan

- Pre-requisite for
  - Go Live Regional Market
  - At a later stage, operation of other Trading Platforms
- Elements to be considered
  - Legal Aspects
  - Framework and design of Regional Market
  - Harmonization of Regional Market Procedures
  - Regional Market IT Systems

# V. Regional Action Plan

## ➤ Status Quo



# VI. Project Elements

- Pre-requisite for
  - Go Live Regional DAM
  - At a later stage, operation of other Trading Platforms
- Elements to be considered
  - Legal
  - Market structure
  - Establishment of Local Market
  - Local MO IT Systems



## VII. Next Steps

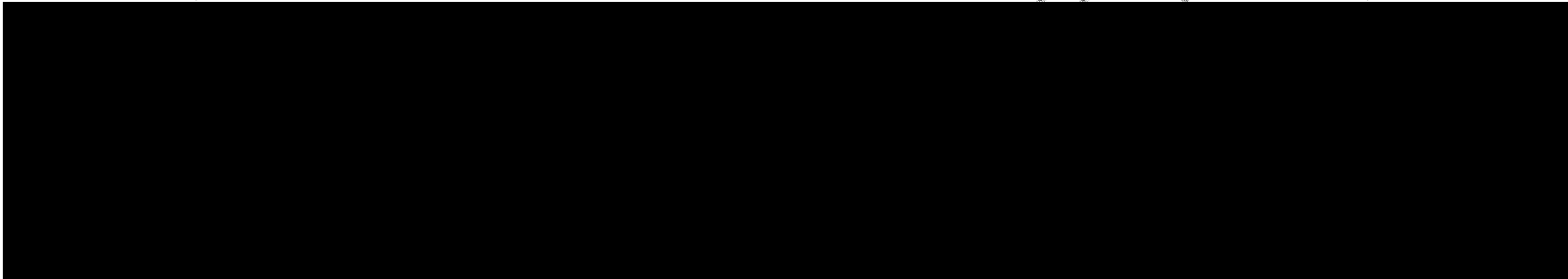
- a. Conclude Review of WB WMO Study
- b. Agree on specific Regional Market Design
  - May differ from WB WMO Study proposals
- c. Each Party: Determine level of participation and target date of joining the Regional Market
- d. Each Party: Provide detailed Local Action Plans, including detailed and binding timetable
- e. All Parties: Finalize WMO Project organization
  - Project Team
  - Create and approve Project Plan

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# Background Slides

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*- Details of Action Plan so Far Discussed by EWG -  
(not final - based on WB Study proposals)*

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## II. Regional Action Plan

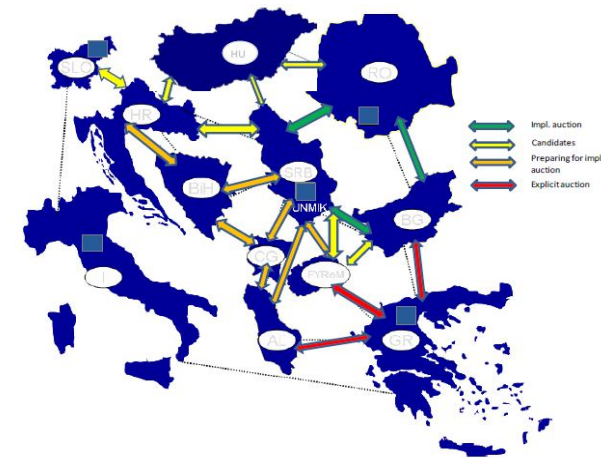
### ▶ *Legal*

1. Establishment of SEESP. Possible options:
  - a. Agreement between participating Parties
  - b. Legal Counterparty to LMOs
  - c. Tasks undertaken by CAO
2. Agreements between SEESP and Local Bodies
3. Agreements between Local TSOs
4. Amendments may be required to Parties' current legislation



## II. Regional Action Plan

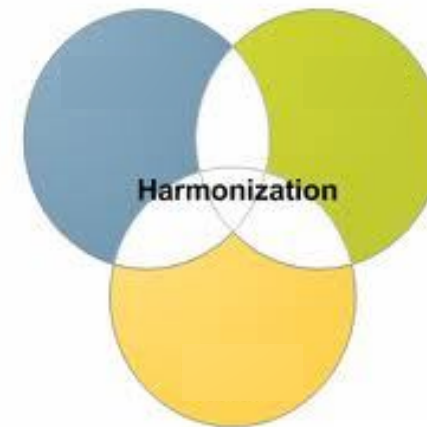
- ▶ ***Framework and design of Regional PX***
  1. Market rules for each Trading Platform
  2. Specifications of SEESP daily procedures
  3. Transmission capacity rules (capacity calculation, capacity allocation to Regional PX, capacity not used rule)
  4. Areas in Regional PX
  5. Regional Market Monitoring



## II. Regional Action Plan

### ▶ *Harmonization of Regional PX Procedures*

1. Operational Time zone
2. Timeline for operations
3. Gate Closure
4. Master Currency
5. Master Language
6. Rules for daylight saving time
7. Treatment of different national holidays
8. Technical bidding parameters



## II. Regional Action Plan

### ▶ *Regional PX IT Systems*

1. Procurement
2. Implementation
3. Installation
4. Testing





## III. Local Action Plans

### ▶ *Legal*

1. Energy Act amendment
2. Legal Revision of Eligibility Guidelines and Incentives
3. Agreements between MO, TSO and Participants
4. Licensing of International Traders
5. Appointment of Market Council



# III. Local Action Plans

## ▶ *Market Structure*

1. Unbundling TSO / Generation
  - a. TSO buy losses from Local Market
  - b. Point of Connection Transmission Tariffs
  - c. Balancing Responsible Parties / Balancing Mechanism
2. Unbundling Supply / Generation, Eligible Customers
  - a. Design and Implement transitional base load contracts
  - b. Auctioning of Bilateral Contracts and/or VPP Auctions
  - c. MO to setup physical forward markets with local incumbents as market makers
  - d. Other pro-competitive measures



## III. Local Action Plans

### ▶ *Market Structure*

3. Introduction of MO or Branch office offering at least the following services:
  - a. Customer support in the bidding process.
  - b. Arrange required training seminars in the local language.
  - c. Sales and marketing of power exchange services.
  - d. Settlement of DA contracts in cooperation with banks.
  - e. Providing all relevant market information in the Local languages, securing full transparency.
  - f. Monitor bid collection and validation for both DA and ID.
  - g. Dispute management for trade notifications.
  - h. Financial settlement of traded contracts and risk management (credit risk).
  - i. Entry and exit of participants.

## III. Local Action Plans

- ▶ ***Establishment of Local Market***
  1. Detailed Market Design
  2. Market Rules / Codes
  3. Specifications of MO daily procedures
  4. Preparation of TSOs for market operation
  5. MO and TSO transparency procedures
  6. Market Monitoring
  7. Requirements to participate in market
  8. Credit Risk
  9. Set up of settlement/billing procedures
  10. Incentives to trade through Local Market

# III. Local Action Plans

## ▶ *Local MO IT Systems*

1. Procurement
2. Implementation
3. Installation
4. Testing

