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Polskie Sieci Elektroenergetyczne  
Operator S.A.

# Polish TSO position on CEEPEX

**PSE OPERATOR S.A**

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## Regional CEE market

- **PSE Operator welcomes an idea of intensifying the efforts to create a well-developed electricity market in the CEE region**
  - **PSE operating territory is one of the interfaces between CEE and other regions**
    - Nordic via SWEPOL DC link (2010-2012)
    - Baltic via future DC back-to-back interconnection (2015)
- **PSE Operator is ready to take an active role in this process depending however on practical perspectives of cross border market operations improvements comparing to the present achievements**
  - **The availability of cross border capacities to be offered for implicit and explicit auctions**
  - **The investments plans of TSO increasing such capacities**
  - **Tightened cooperation in the domain of system security while developing of the regional CEE market**
- **PSE Operator suggests to involve more actively CAO in the process**

# The way to implement the practical solutions

- **CAO is already a subsidiary of the involved TSOs**
- **Calculation of FBA parameters will be critical to the success of CEEPEX**
- **The task of CAO concerning the available transfer capacity calculation can be followed by the development of the efficient capacity allocation (matching) algorithm, e.g. price coupling, and coordination of the activities among existing power exchanges in CEE Region**
- **Therefore the development of market solutions within CEE region would not rely on CAO present activity but would be assured by**
  - **Defining of new strategy goals to be attained by CAO**
  - **Allowing the capital involvement of the interested parties in CAO shares**
  - **Launching of the open tender concerning the high level staff responsible for market coupling mechanisms implementation in CAO**



## Lots of unresolved issues

- **On the creation of CEEPEX**
  - **Allocation of cross-border capacity by CEEPEX**
    - **No details are given, and that's where the devil usually sits**
    - **Troublesome implementation of FBA (see experience of CWE and CEE)**
- **On the creation of a well functioning CEE market**
  - **Harmonization of domestic market rules to create level playing field in CEE**
    - **E.g. grid access tariffs – how? On which principles?**
  - **Development of generation capacities ensuring the sustainable security of supply within the region**
  - **Including of locational nature of system operation**
    - **system security and costs**

## Conclusions

- **We support the idea of implicit auction implementation as the final solution integrating the national markets**
- **We would like to make use of our up to date experience concerning the joint activities of CEE countries and would propose to consider CAO as the interesting choice of the CEEPEX development**
- **We declare the approving position concerning future studies needed to pave the way to implement the market effective solutions in our CEE region**
- **We are aware of limitations concerning the cross border capacities availability but we declare the adequate capital involvements in CEEPEX mechanisms implementation in line with the opportunities in view**