



Welcome and Introduction to CEEPEX Study

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CEEPEX Workshop

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History



- **Q1/2007: first discussion and decision to proceed with CEEPEX project by the World Bank, HEO and E-Control**
- **CEEPEX Study tender**
- **Q1/2008: after evaluation of offers, common decision to award the project to the consortium consisting of Nordpool Consult and Accenture**
- **CEEPEX Questionnaire to the stakeholders**
- **Juli 2008: inception report and workshop with stakeholders in Budapest (CEE market participants, PEXs, etc.)**
- **Juli 2009: final CEEPEX Study**

Key Objective



To propose a detailed implementation model and associated Action Plan for CEEPEX, building on the initial conceptual study conducted for HEO

The final report on CEEPEX may be found:

<http://www.eh.gov.hu/home/html/index.asp?msid=1&sid=0&lng=2&hkl=420>

Core Tasks



Legal aspects

- **Existing and new (3rd Legislative Package) EU legislation on Internal Electricity Market (Directives, Regulations, Guidelines)**
- **Relevant EU legislation on financial markets (if needed)**
- **Existing and potential forthcoming national legislation on electricity markets in the CEE region**
- **National legislations regarding stock exchanges of relevance for power exchanges**

Core Tasks *(cont'd)*



Market aspects

- **The plans and strategies of the EU / EC regarding the regional electricity market**
- **Different market maturity and level of competition within the CEE region**
- **Generation pattern and price situation within the CEE region**
- **Problems with the transmission lines, congestions in the CEE region as barriers to the market development**

Core Tasks *(cont'd)*



Operational/organizational aspects

- **Existing Power Exchanges**
- **Existing level or market integration between the countries in the CEE region**
- **Market models & operations applied in the countries of the CEE region (balance groups, etc.)**
- **CEE Central Allocation Office**

Core Tasks *(cont'd)*



Key documents to be considered

- **Study: “Analysis of opportunities of the establishment of the organised electricity market – in Hungary or in the region, and of the purchase of ancillary services”,**
<http://www.eh.gov.hu/home/html/index.asp?msid=1&sid=0&lng=2&hkl=463>
- **Relevant EU regulatory framework**
- **Relevant national regulatory framework in the CEE region**
- **Information on the organized electricity markets in the CEE region to be provided by E-Control and HEO**

Key Input: CEEPEX

Questionnaire to Stakeholders



- 1. Information about Stakeholder**
- 2. Vital attributes of a CEEPEX compared to national PEX?**
- 3. What activity would a stakeholder pursue in a liquid CEEPEX?**
- 4. Would stakeholder invest in the establishment of a CEEPEX?**
- 5. Is there any preference regarding owners of CEEPEX?**
- 6. What are preferred CEEPEX products and services?**
- 7. What volume would stakeholder trade on CEEPEX per year?**

Key Input: CEEPEX

Questionnaire to Stakeholders *(cont'd)*



- 8. Which countries should be CEEPEX founding members?**
- 9. Which cross-border auction type is attractive to stakeholder?**
- 10. Which is preferred market type, physical / financial?**
- 11. Other recommendations, remarks?**

Tasks - Details



- **Examining the *first possibility for the creation of a completely new regional organised energy market / PEX in the CEE region:***
 - Legal issues
 - Regulatory framework
 - Organisational and economic conditions
- **Examining the *second possibility to build a solution with the regional CEE PEX relying on the existing entities:***
 - Legal issues
 - Regulatory framework
 - Organisational and economic conditions

Tasks – Details *(cont'd)*



- **Contrasting the two approaches with clear and detailed demonstration of advantages and disadvantages, including an evaluation obstacles resulting out of current legislation, market models, etc.**
- **Possibility and conditions of extending the activities to include procurement of ancillary services, including (but not limited to) load-frequency control and reserve power**

Tasks – Details *(cont'd)*



- **Impacts of the regional CEE Central Allocation Office, to the possible approaches from 2. and 3. above, including cooperation with the PEXs**
- **Recommendations with detailed business model and implementation strategy including description of necessary changes to be done by the related national regulators, governments, TSOs**

Goals of the WS Today



- **Information and discussion with stakeholders**
 - European legal framework
 - Ongoing work and intermediate results on European Congestion Management and Capacity Allocation
 - CEEPEX Study and results
- **Invitation to the stakeholders (most notably PEXs, TSOs, market participants) to submit proposals and commitments on the way forward towards an organized CEE electricity market**
- **Initial timeplan and next steps**



Thank you for your attention!