



European electricity regulatory legal framework and regional initiatives

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Third Energy Package

- **Directive 2009/72/EC for the internal market in electricity**
 - Market opening
 - Independence of energy regulators
 - Unbundling requirements for TSO
- **Regulation (EC) No 713/2009**
 - Establishing an Agency for the Cooperation of Energy Regulators (ACER)
- **Regulation (EC) No 714/2009**
 - Access to the network for cross-border exchanges in electricity
 - Network Codes

New challenges in electricity sector

- **Old model**
 - Limited number of relative big power plants
- **New model**
 - Distributed generation
 - Renewable, volatile generation
- **Evolution of electricity markets**
 - Market coupling in short term capacity allocation, balancing markets etc.
- **Market will deliver security of supply?**
 - Capacity mechanisms

Electricity Network Codes I.

- **Connection Codes (3 Codes) – connection to transmission system**
 - Generators
 - Demand facilities, distribution networks
 - High voltage direct current connections
- **Addresses challenges in network operation**
 - Solar eclipse in March 2015
- **Main areas of regulation**
 - Frequency , voltage, system restoration
- **Scope**
 - Relative small power plants (0.8 kW or more)

Electricity Network Codes II.

- **System Operation Codes (4 Codes)**
 - Operational security, operational planning, load frequency control, emergency and restoration
- **Addresses challenges in network operation**
 - Planning and operation phase
- **Regional initiatives**
 - Regional security cooperation initiatives
 - Cooperation of TSOs, supported by services of separate legal entities
 - TSC NET, Coreso and others
 - Common regional planning of the daily operations
 - Other task is the future

Electricity Network Codes III.

- **Market Codes (3 Codes)**

- **Day-ahead and intraday markets**

- Market coupling – energy and cross zonal capacity
- Capacity calculation – flow based
- Regulation of nominated electricity market operators

- **Forward markets**

- Harmonized allocation rules across Europe
- Single allocation platform

- **Balancing markets**

- Coordinated balancing areas

New approach – decision making with qualified majority

Electricity Network Codes IV.

- **Market Codes – Regional initiatives**
 - **Day-ahead and intraday markets**
 - Market coupling early implementation projects
 - CWE NWE regions, Czech-Slovak-Hungarian-Rumanian MC
 - **Forward markets**
 - Harmonized allocation rules – from 2016
 - Allocation platform covering many TSOs allocations
 - **Balancing markets**
 - Coordinated balancing areas – early implementation
 - Less mature regional cooperation
 - Projects already in place in some products

Thank you for your attention