



**First South East European  
Regional CIGRÉ Conference**

**SEERC**

Portoroz, Slovenia, 7—8 June 2016

**Regionally coordinated auctions  
of cross-border transmission capacities  
between South East European  
Transmission System Operators**

3-01

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# Introduction

- **Coordinated Auction Office in South East Europe - SEE CAO:**
  - established in 2014 in Podgorica, Montenegro
  - shareholders –TSOs from the region of South East Europe
  - explicit allocation of cross-border transmission capacity



- Establishment
- Organisation
- Auction process
- Go - live
- Technical framework
- Next steps/Conclusions

# SEE CAO establishment - PTC

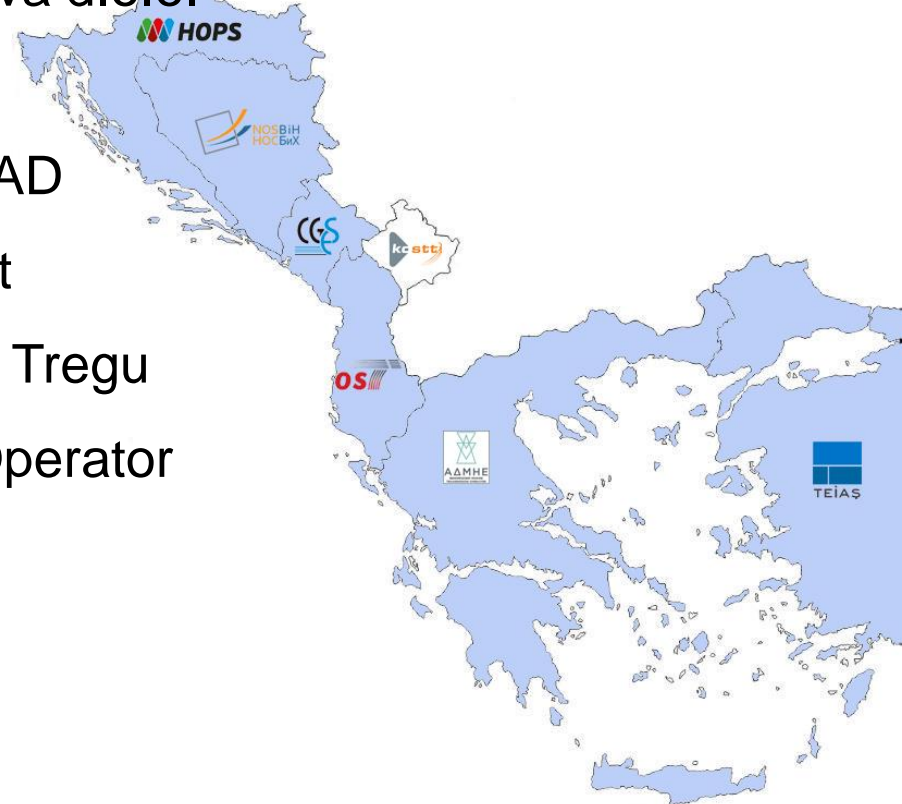
- July 04<sup>th</sup> 2012 – ***Project Team Company in charge of establishing a Coordinated Auction Office in South East Europe***
- Founded by 10 SEE TSOs
- Support:
  - Political: European Commission, Energy Community Secretariat
  - Financial: EBRD, KfW, USAID
- Aim of the PTC - establish legal, financial and technical framework for successful launch of CAO



# SEE CAO establishment

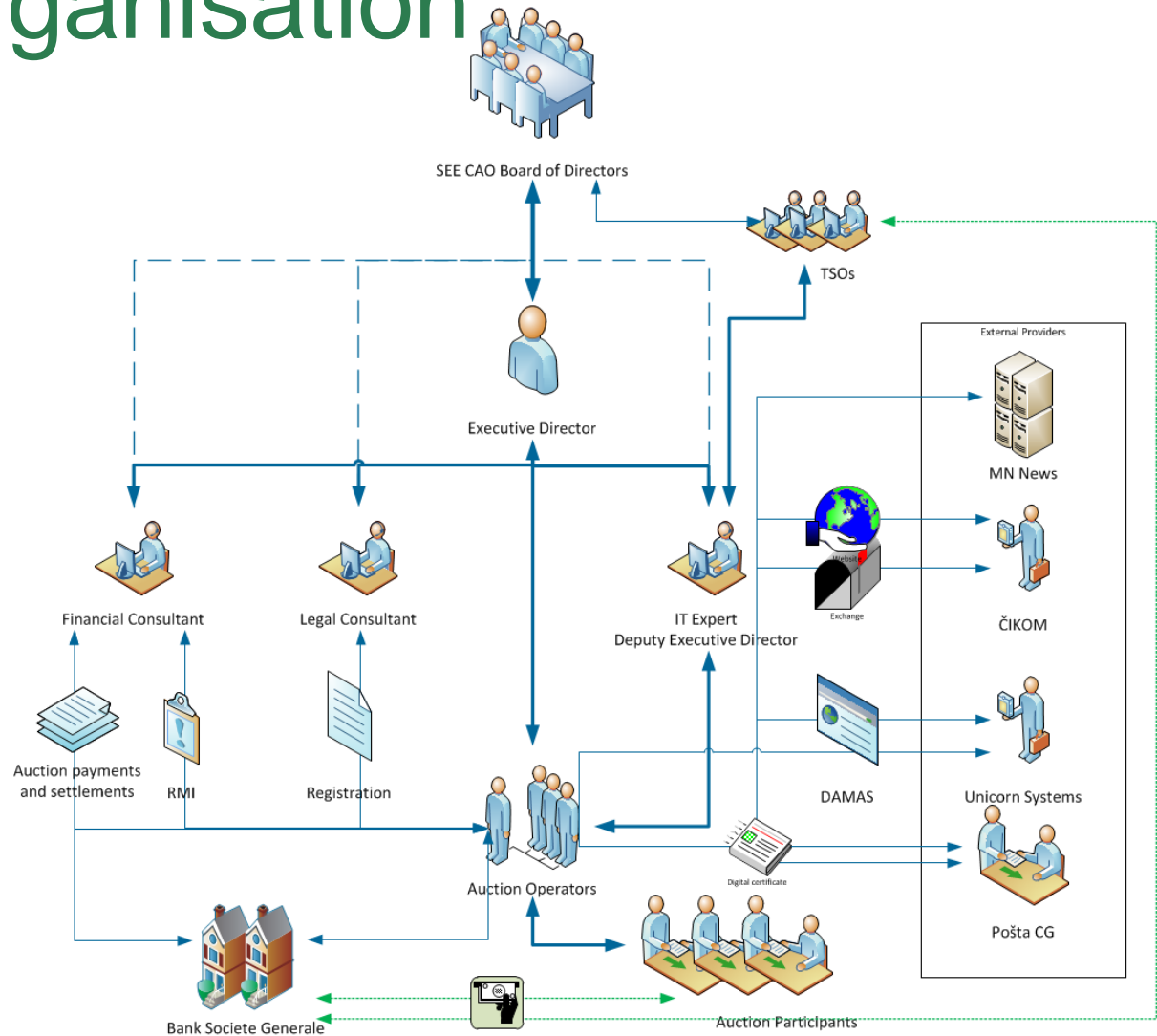
- April 01<sup>st</sup> 2014 – ***Coordinated Auction Office in South East Europe***

1. Hrvatski operator prijenosnog sustava d.o.o.
2. Nezavisni Operator Sistema u BiH
3. Crnogorski Elektroprenosni Sistem AD
4. Operatori i Sistemit TE Transmetimit
5. Operator Sistemi, Transmisioni Dhe Tregu
6. Independent Power Transmission Operator
7. Turkiye Elektrik Iletim A.S



# SEE CAO organisation

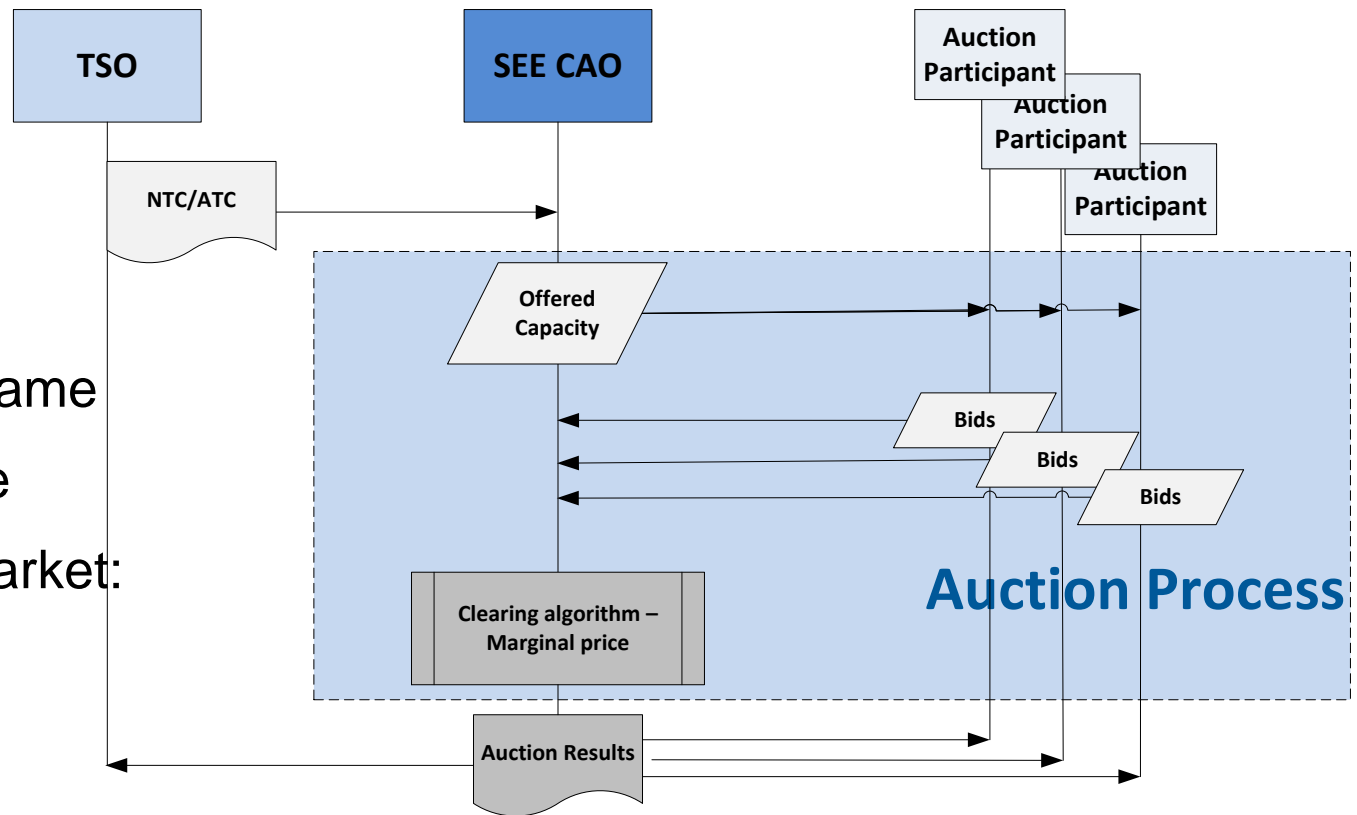
- *Board of Directors*
- *Executive director*
- *SEE CAO staff*
  - *IT Expert*
  - *Legal Expert*
  - *Auction Operators*
  - *Financial Expert*
- *Stakeholders:*
  - *TSOs*
  - *Auction Participants*
  - *Providers*



# Auction Process

- **Auctions:**

- ✓ Coordinated
- ✓ Explicit
- ✓ NTC based
- ✓ Y, M, D timeframe
- ✓ Marginal price
- ✓ Secondary market:
  - Resale
  - Transfer
  - UIOSI



# Auction Process - preconditions

- ✓ **Auction Rules** - approved by all respective National Regulatory Authorities
- ✓ **Agreement for Services** - signed with all respective TSOs
- ✓ **Auction Platform** - delivered, installed, configured and tested
- ✓ **Auction Operators** - employed and trained
- ✓ **Auction Participants** - registered and trained
- All other legal, financial and technical requirements should be met by service user TSOs

# Start of auctions



1

27/11/14

2

13/04/15

3

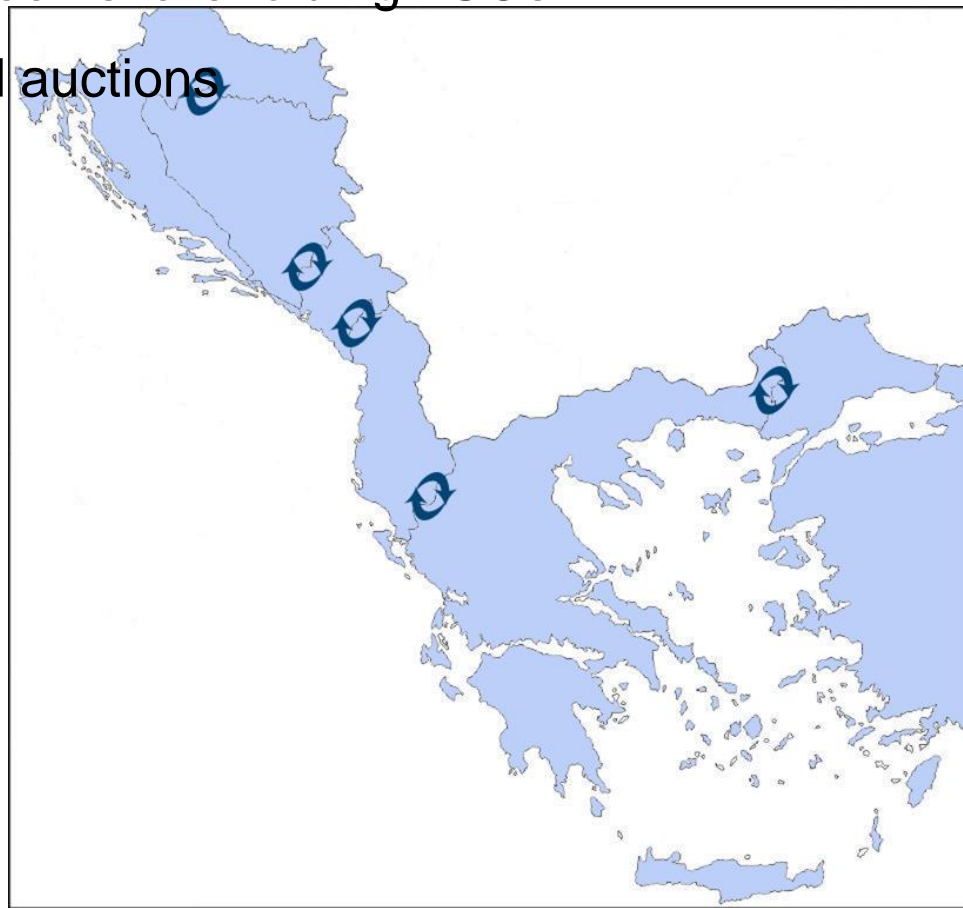
15/09/15

4

23/11/15

# STEP FORWARD

- Implementation of regulation (EC) 714/2009 in SEE on coordinated explicit NTC-based auctions between shareholding TSOs
- Unilateral/Bilateral → Coordinated auctions
- Common Auction Rules
- Synchronised Auction Timing
- Multiple bidding
- New products
- Secondary Market
- Better utilisation of capacities
- Transparency



# Auction Participants

- 101 Auction Participant registered from 16 European countries

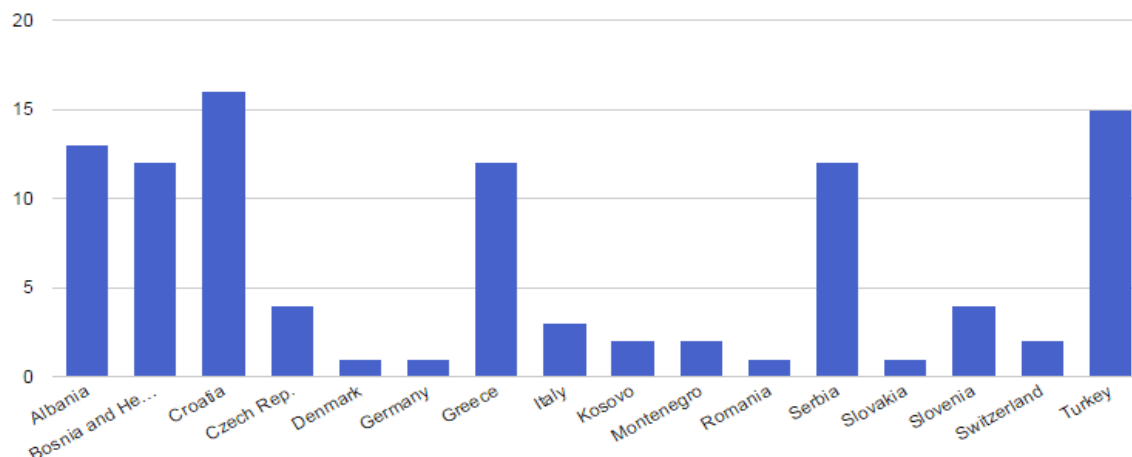


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## Participants statistic

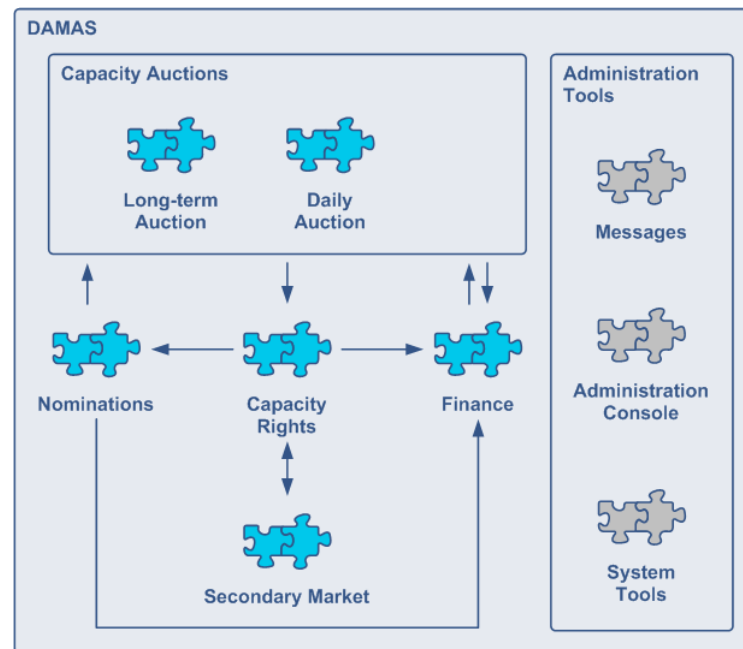


# Auction Platform – DAMAS

- Funded by EBRD's grant
- Procurement according to Bank's policies
- Unicorn systems a.s., Czech Republic
- **DAMAS system**
  - Kick-off: November 2013
  - Go – Live: November 2014 → Yearly auction 2015
- Web based application, certificate needed (Pošta CG)
- Completely configured and developed in order to meet the needs of Transmission Capacity Allocator – SEE CAO and its service user TSOs

# Auction Platform – DAMAS

- Modules:
  - LONG TERM AUCTIONS
  - DAILY AUCTIONS
  - CAPACITY RIGHTS
  - SECONDARY MARKET
  - NOMINATIONS
  - FINANCIAL
  - SYSTEM ADMINISTRATION



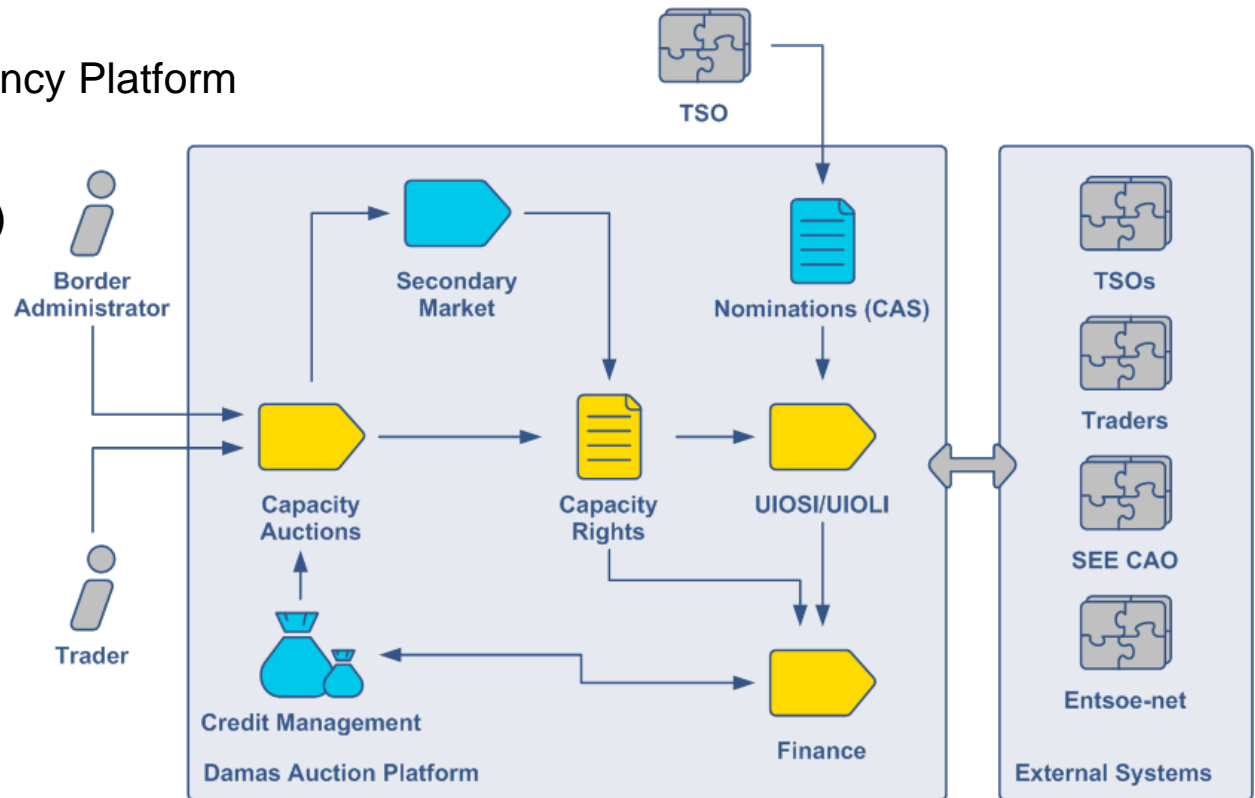
# Auction Platform – Data Exchange (1)

- Communication:

- Auction participants
- TSOs
- ENTSO-E Transparency Platform
- SEE CAO web site
- ARIS (in preparation)

- Channels:

- E-mail
- SFTP
- DAMAS web forms
- Web services



# Auction Platform – Data Exchange (2)

- Electronic Data Interchange (EDI) library
- ENTSO-E Capacity Allocation and Nomination – ECAN standard
- ENTSO-E Scheduling System - ESS standard
  - Auction Specification Document,
  - Bid Document,
  - Total Allocation Result Document,
  - Allocation Result Document,
  - Rights Document
  - CAS Information for CAO
  - Acknowledgements

# Auction Platform - Transparency

- COMMISSION REGULATION (EU) No 543/2013
- One of the first Data Providers on ENTSO-E transparency Platform
  - *significantly contributed to the enhancement of the transparency in the SEE region*

## Transmission – Explicit Allocation data flows

### Day Ahead

- Offered,
- Requested
- Allocated
- Auction Price

### Long/Medium Term

- Offered,
- Requested
- Allocated
- Auction Price

### Allocation Revenue

### AAC – Already Allocated Capacity

### Auction Configuration

Explicit Allocations - Day Ahead

Offered Day-ahead Transfer Capacity [11.1]  
Explicit Allocations - Use of the Transfer Capacity [12.1.A] (daily)

Day Range  
From: 14.04.2015 To: 07.05.2015

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

Area

- Bosnia and Herz. (BA)
  - BZNIBA - BZNIHR
  - BZNIBA - BZNIME
  - BZNIBA - BZNIRS
- Bulgaria (BG)
- Croatia (HR)
- Czech Republic (CZ)
- Denmark (DK)
- Estonia (EE)
- Finland (FI)
- France (FR)

Time interval	Class.		BZNIHR > BZNIBA				BZNIBA > BZNIHR				
	Cat. ?	Seq. ?	OC ?	RC ?	AC ?	Price ?	OC ?	RC ?	AC ?	Price ?	
			[MW]	[MW]	[MW]	[EUR/MW]	[MW]	[MW]	[MW]	[EUR/MW]	
14.04.2015 00:00 - 15.04.2015 00:00 (CET)	Hourly	1	1258 (VARY)	640	640	0.00	192 (VARY)	684 (VARY)	192 (VARY)	12.10 (VARY)	+
15.04.2015 00:00 - 16.04.2015 00:00 (CET)	Hourly	1	1235 (VARY)	865 (VARY)	865 (VARY)	0.00	215 (VARY)	433 (VARY)	215 (VARY)	0.17 (VARY)	+
16.04.2015 00:00 - 17.04.2015 00:00 (CET)	Hourly	1	1265 (VARY)	884	884	0.00	185 (VARY)	481 (VARY)	184 (VARY)	0.21	+
17.04.2015 00:00 - 18.04.2015 00:00 (CET)	Hourly	1	1255 (VARY)	843 (VARY)	843 (VARY)	0.00	195 (VARY)	434 (VARY)	195 (VARY)	0.50 (VARY)	+

# NEXT STEPS

- REMIT reporting
- Implementation of Guidelines on Forward Capacity Allocation
- Harmonisation with Harmonised Auction Rules
- Open for remaining SEE TSOs and their borders

# CONCLUSIONS



# *Thank you for your attention!*

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# Questions for presenter

- **I.** How the banking guarantees are solved within the SEE CAO Rules in order to protect SEE CAO interest? How the SEE CAO revenues are shared among the participating TSOs?
- **II.** If the capacity holder did not use obtained capacity in nominations and did not resold it, is this capacity offered to the market participants in short timeframes and how? Who is in charge of the execution of the capacity curtailment in network emergency situations, when necessary? Who is remunerating the costs of curtailed capacity to the capacity holder?

# Additional question to auditorium for open discussion

- Do you think that interconnection capacities are optimally utilized?
- In the light of CACM Regulation and creation of Capacity Calculation Regions (CCR), Coordinated Capacity Calculator (CCC) and the ENTSO-E Regional Security Coordination Initiative, how it could help and contribute to the more efficient utilization of the capacities?
- What is the SEE CAO perspective regarding to the swithing to flow-based capacity calculation and what would be impact of introducing flow-based capacity calculation for a day-ahead market time-frame?