REGULATORY AUTORTIES IN SOUTH EAST EUROPE

Nina Grall-EDLER
INOGATE Workshop – 10 October 2013 - Vienna
1. SETTING THE SCENE
   - Geographic Scope
   - Legal Framework

2. ASSESSMENT & CASES
   - Regulatory Powers
   - Independence

3. CONCLUSIONS
AGENDA

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GEOGRAPHIC SCOPE

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

** 16 of the 25 EU Member States hold a Participant status according to Article 95 of the Energy Community Treaty, the country names of which are marked in bold on the map.
LEGAL FRAMEWORK - ENERGY COMMUNITY TREATY

- SIGNED 25.10.2005; ENTRY INTO FORCE 1.7.2006

- SECOND IEM PACKAGE
  - 1.1.2008 all non-household; 1.1.2015 all customers
  - MD,UA: 1.1.2012 all non-household; 1.1.2015 all customers

- THIRD IEM PACKAGE
  - implementation deadline 1.1.2015
  - excluding ACER Regulation
  - ref. EC > ECS; ref. ACER > ECRB
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1. **Setting the Scene**
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2. **Assessment & Cases**
   - Regulatory Powers
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3. **Conclusions**
„Honest“ Liberalisation Policy is Key

- Regulated energy prices
- Regulated chain – generation, single buyer models
- No political interventions into regulatory work / strong regulator
WHAT IS NEEDED [2]

- MARKET INTEGRATION
  - increased liquidity / competition ∆ impact of more suppliers / traders
  - increased security of supply ∆ more generation sources
  - supporting network operation (security) ∆ generation reserves, balancing
  - Some markets cannot function properly on national level only – lack of liquidity, lack of market players
  - cost of non-integration ∆ economies of scale, competitive structures

- MARKET INTEGRATION REQUIRES HARMONISED MARKET RULES ACROSS BORDERS
  - technical / operational rules
  - market rules – network access, capacity allocation, congestion management, balancing
  - financial rules – transit compensation
WHAT IS NEEDED

- **Regulatory Independence**
  - Practical implementation
  - Compliance and commitment of other state bodies

- **Active Regulators**
  - Defining, not administrating the market!
  - Active cooperation with COMP authorities – ref. ex ante / ex post role

- **Full Set of Regulatory Powers**
  - Implementation by letter *and spirit*
THANK YOU VERY MUCH FOR YOUR ATTENTION!

QUESTIONS?
DISCUSSION

CONTACT
Nina Grall-Edler
Head of ECRB Section – Regulatory Affairs
Energy Community Secretariat
E: nina.grall@energy-community.org
W: www.energy-community.org