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EMERC – Status Quo

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Introduction



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- Task – to determine the status-quo in electricity market deregulation in member organizations
- Questionnaire prepared and shared
- Responses received from 17 member organizations
- First findings presented during the EMER meeting on January 18, 2022

Main aspects



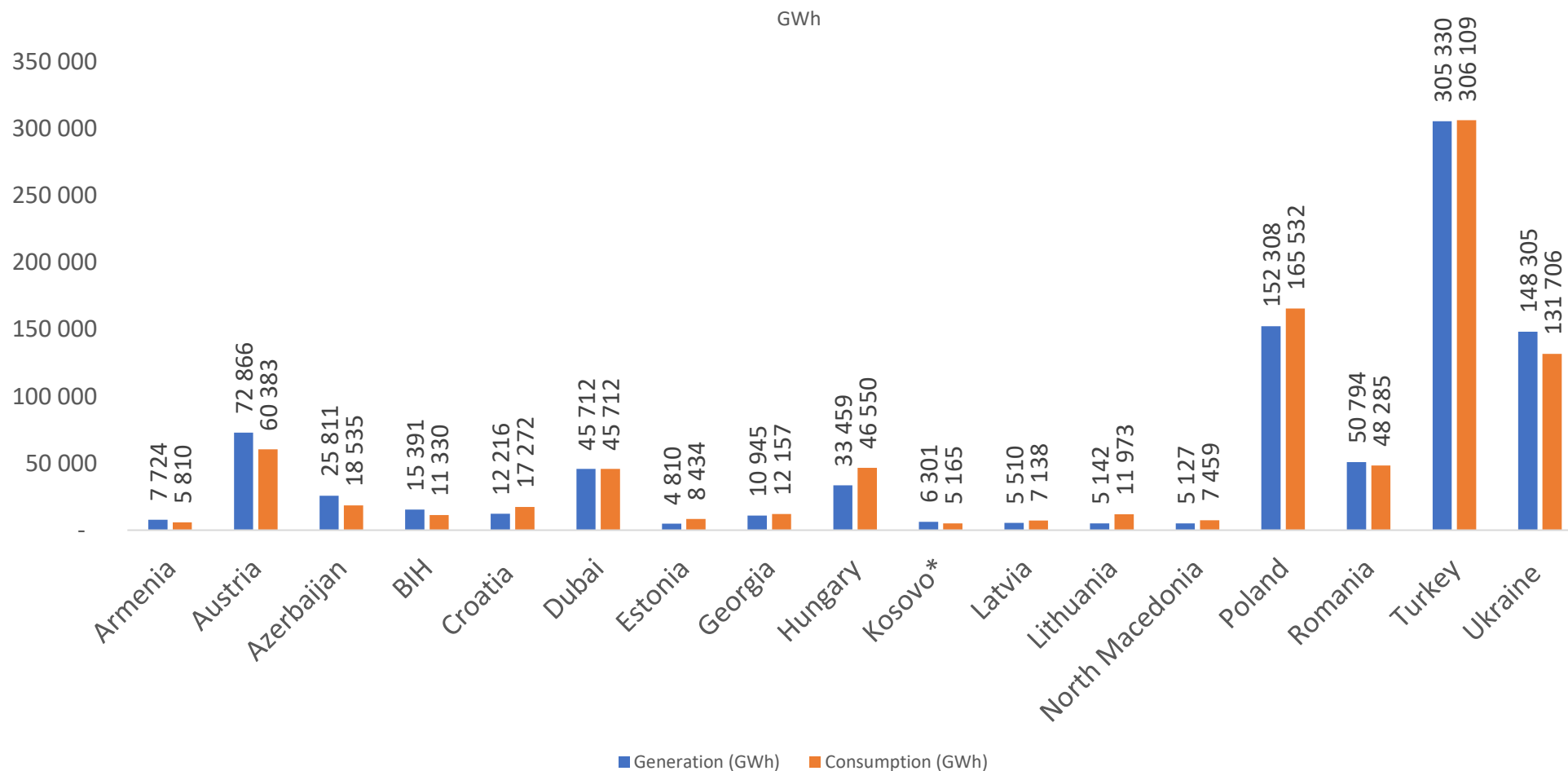
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- Fuel mix
- Supply and demand
- Unbundling,
- Organized markets for trading (DAM, IDA, BM, OTC)
- Financial instruments
- PSO
- Cross Border Trade
- Balancing and Ancillary services



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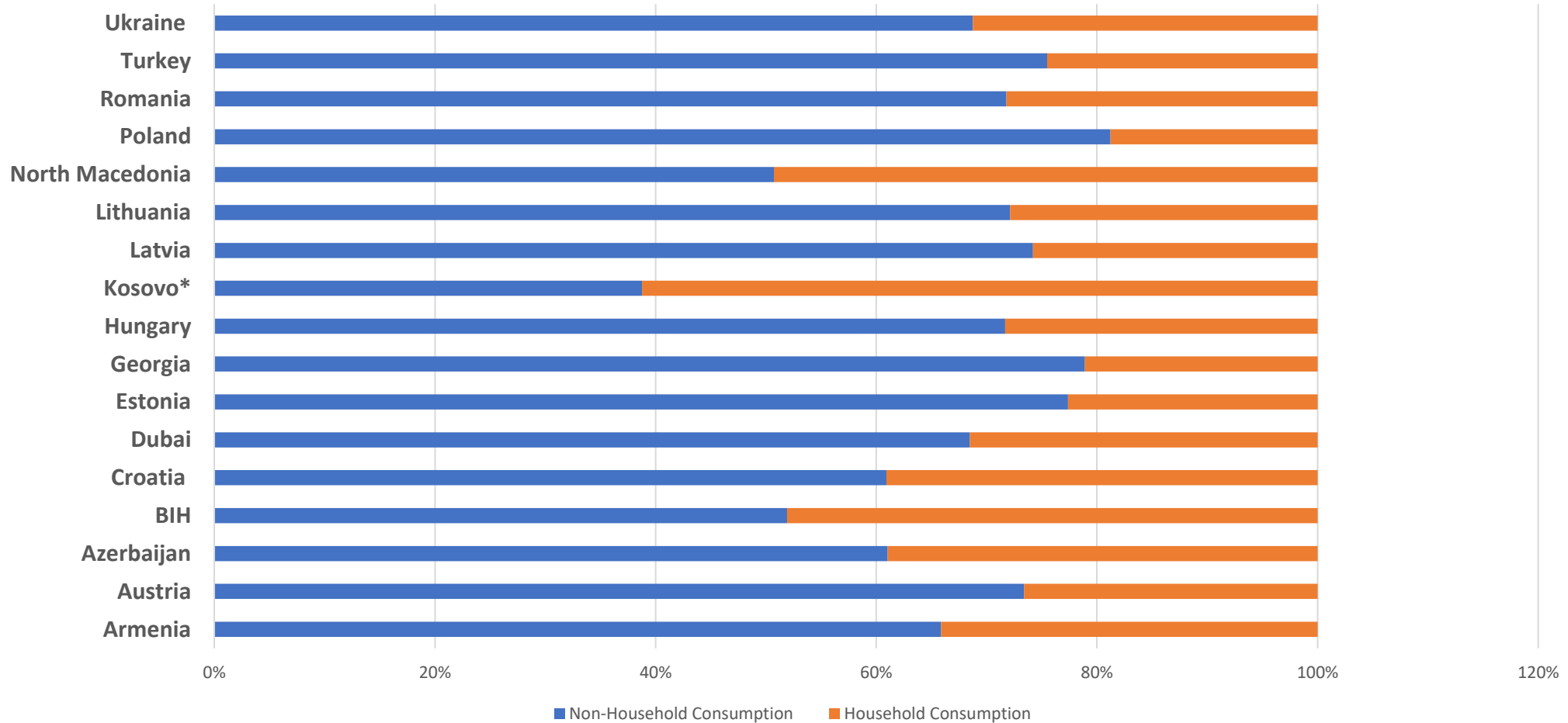
Generation and Consumption



Household and non-household consumption share from the total consumption



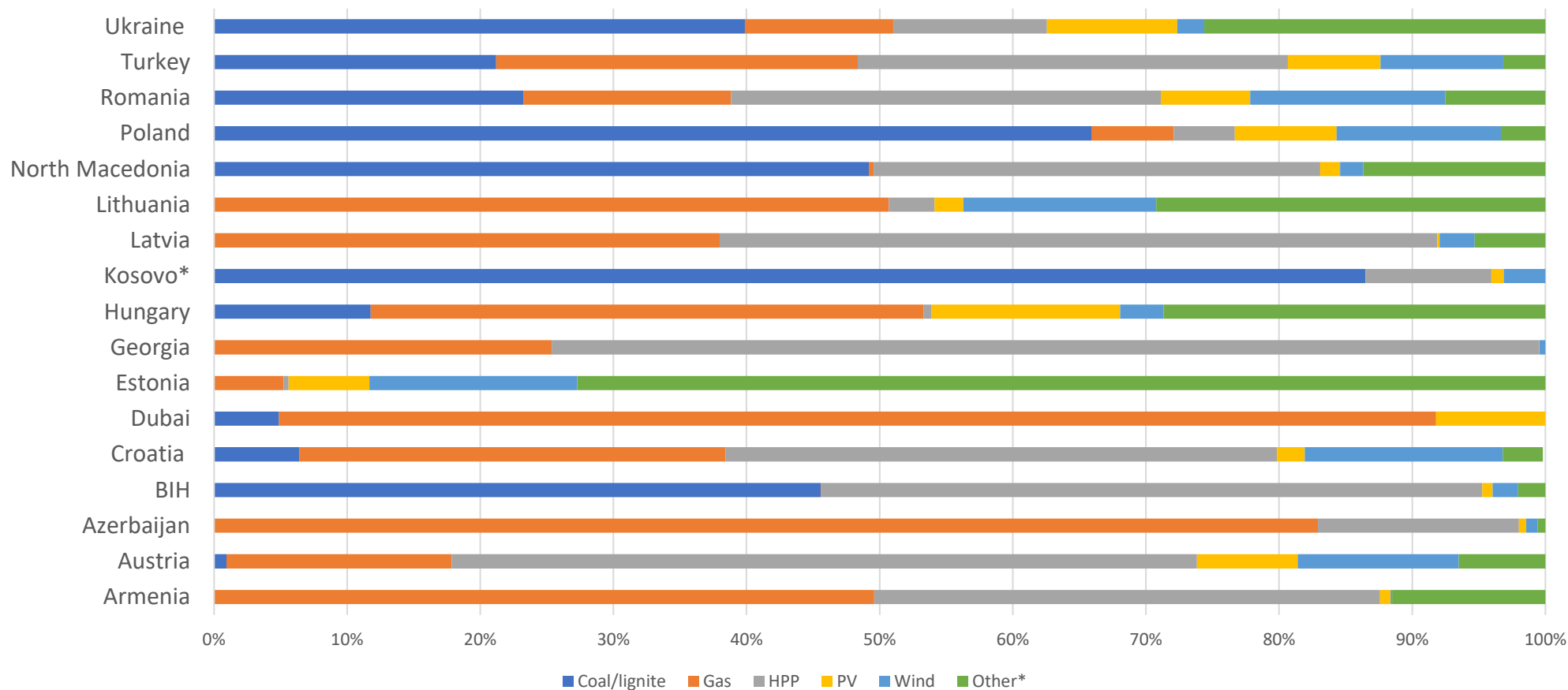
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Power mixes based on technologies

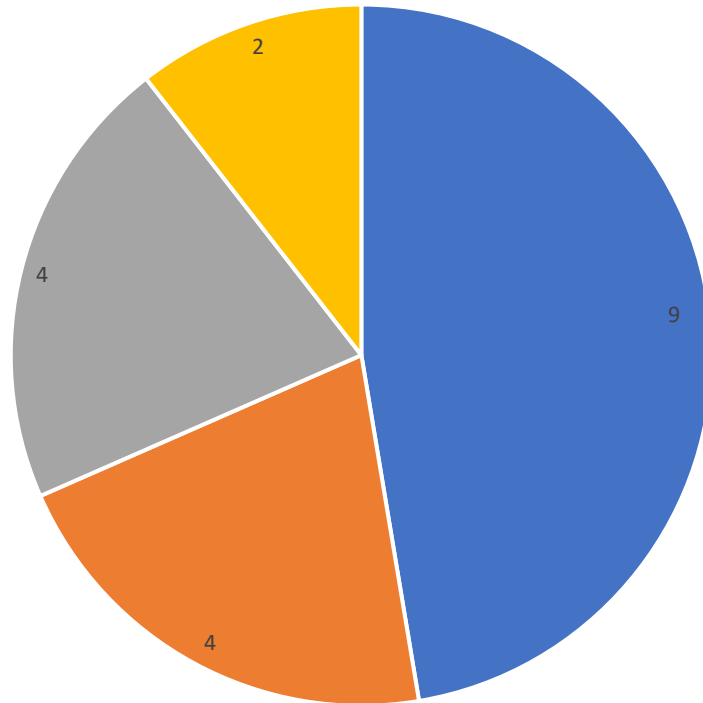


TSO/DSO unbundling



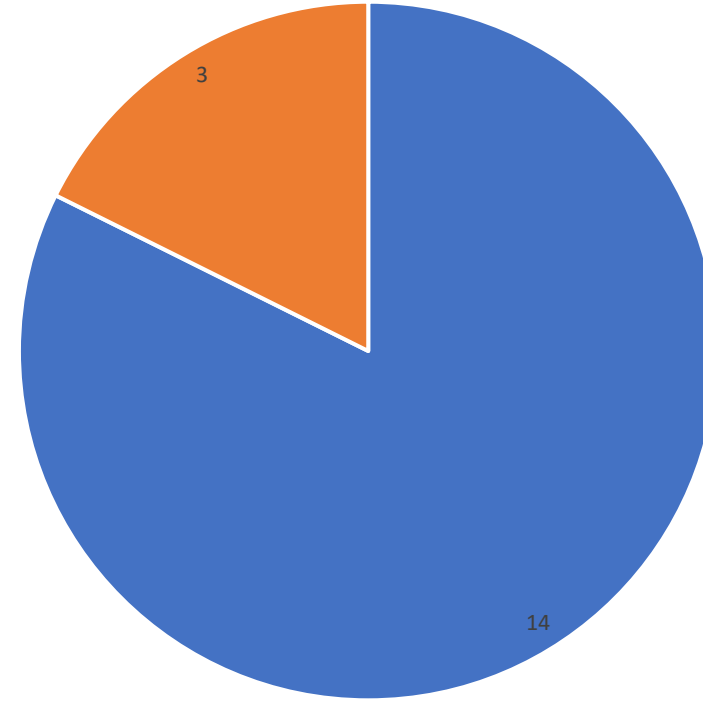
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TSO Unbundling



■ OU ■ ISO ■ ITO ■ No Unbundling requirements

DSO Unbundling

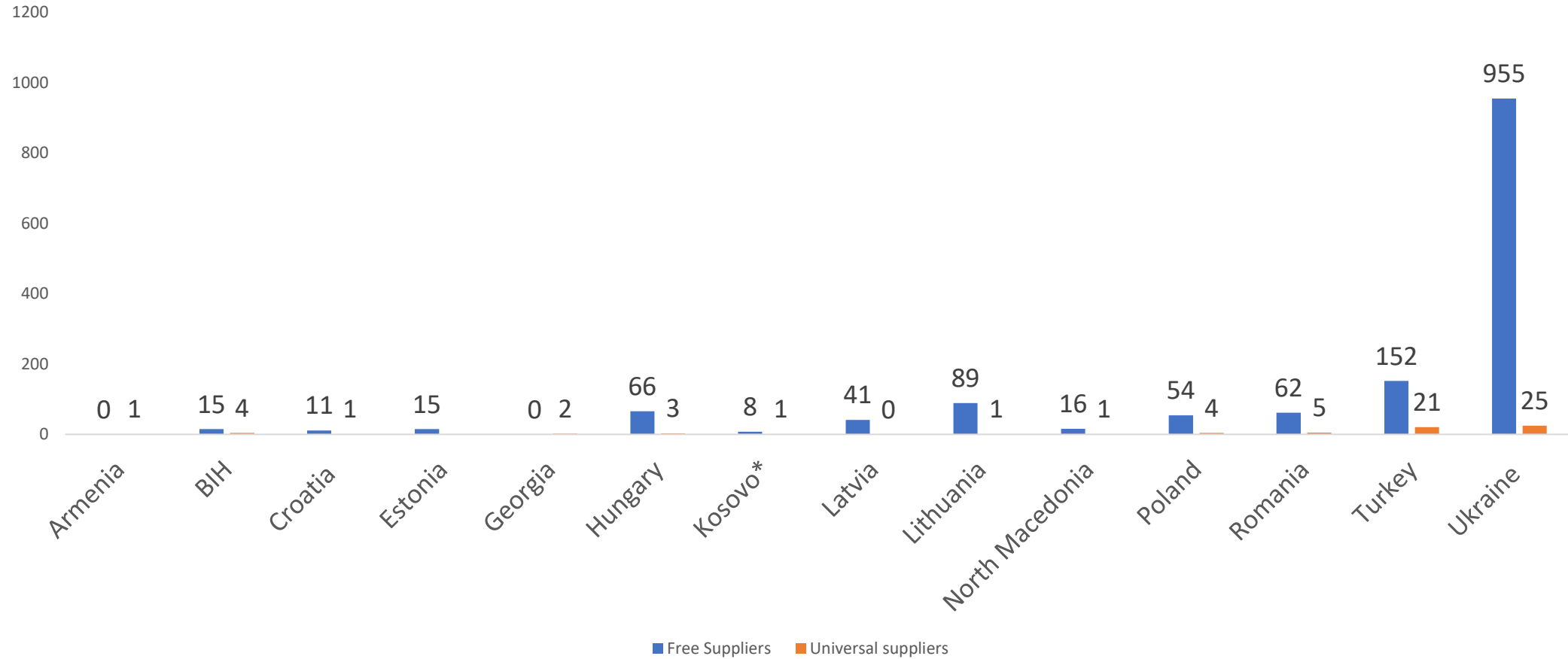


■ YES ■ NO requirements

Number of Free suppliers vs regulated suppliers



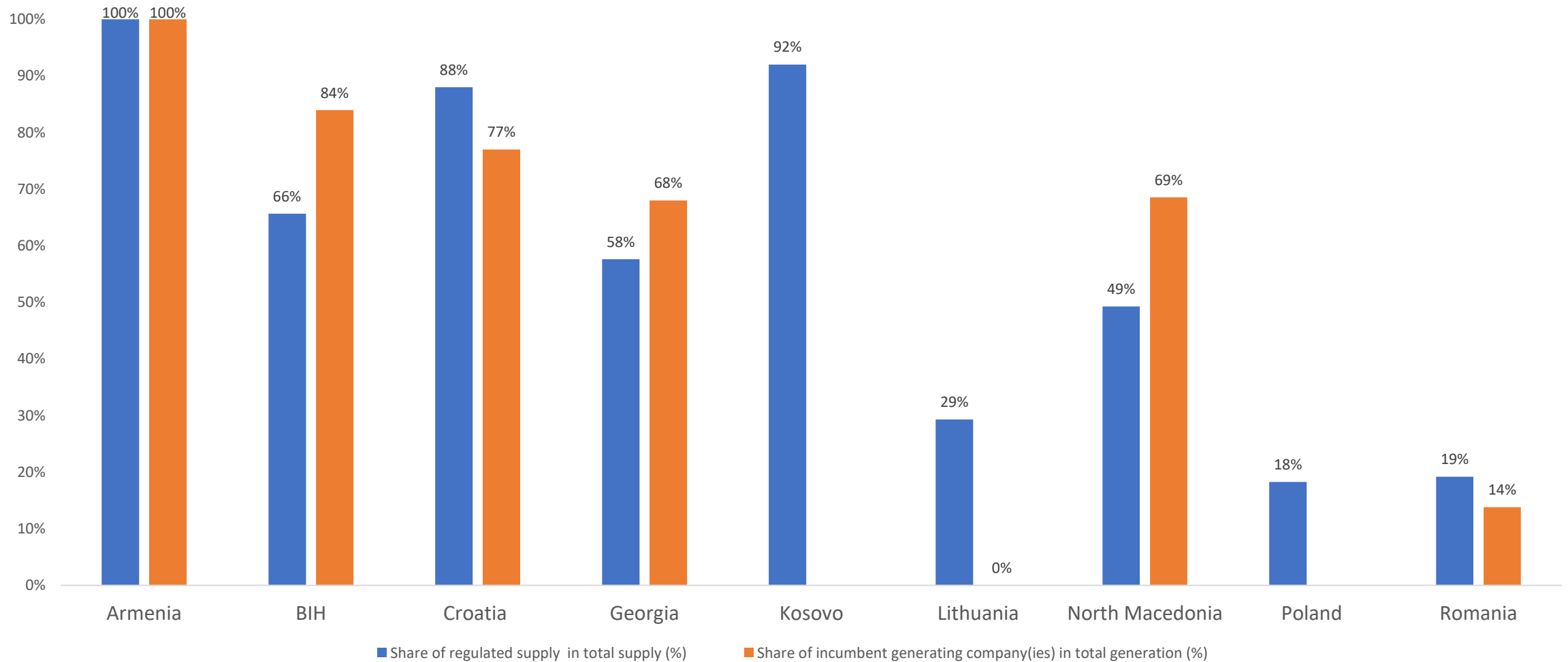
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Share of regulated supply in total supply (%); Share of incumbent generating company(ies) in total generation (%)



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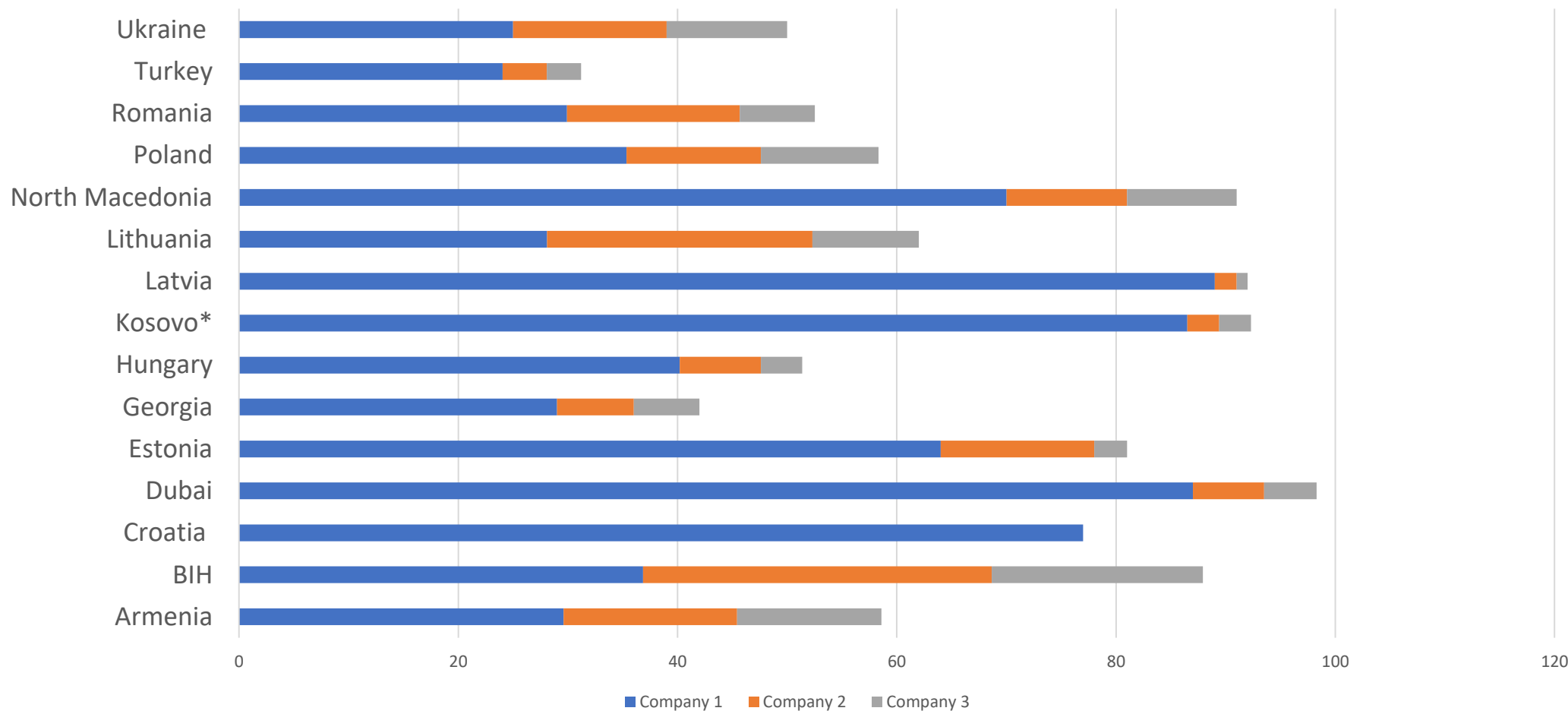


Installed capacity of 3 largest producers in %



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Installed capacity of 3 largest producers in %





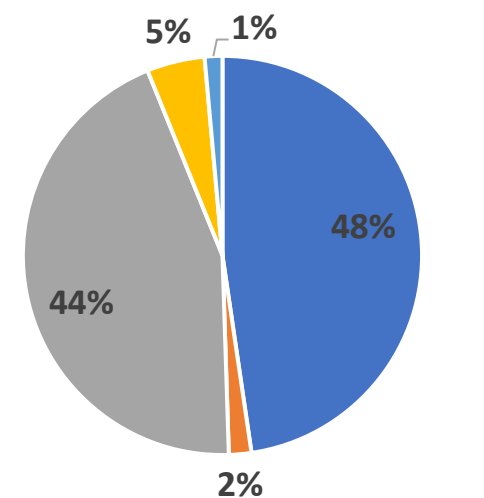
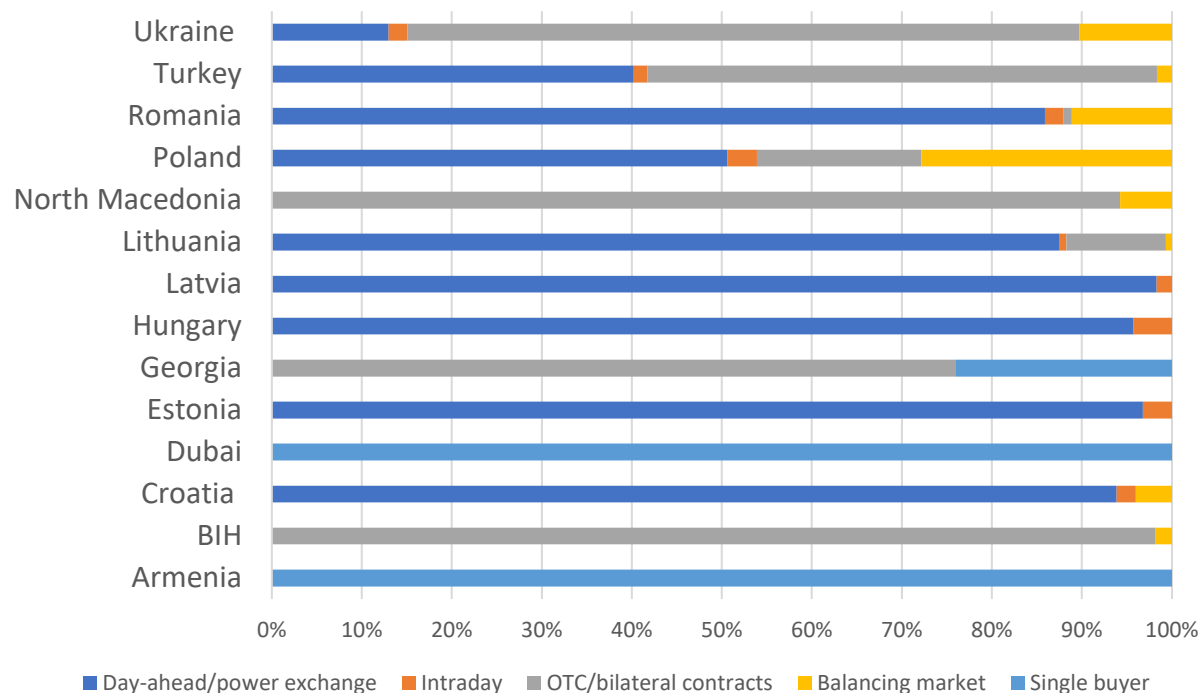
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Deregulation Analysis – Market Segments

Based on the provided information:

- In 9 representative countries electricity is traded on organized markets (DAM, IDM, BM)
- In 5 representative countries electricity is traded on OTC / through bilateral contracts and single buyer basis.

55% percent of overall traded electricity is traded on organize markets 45%- on OTC / through bilateral contracts and Single Buyer basis



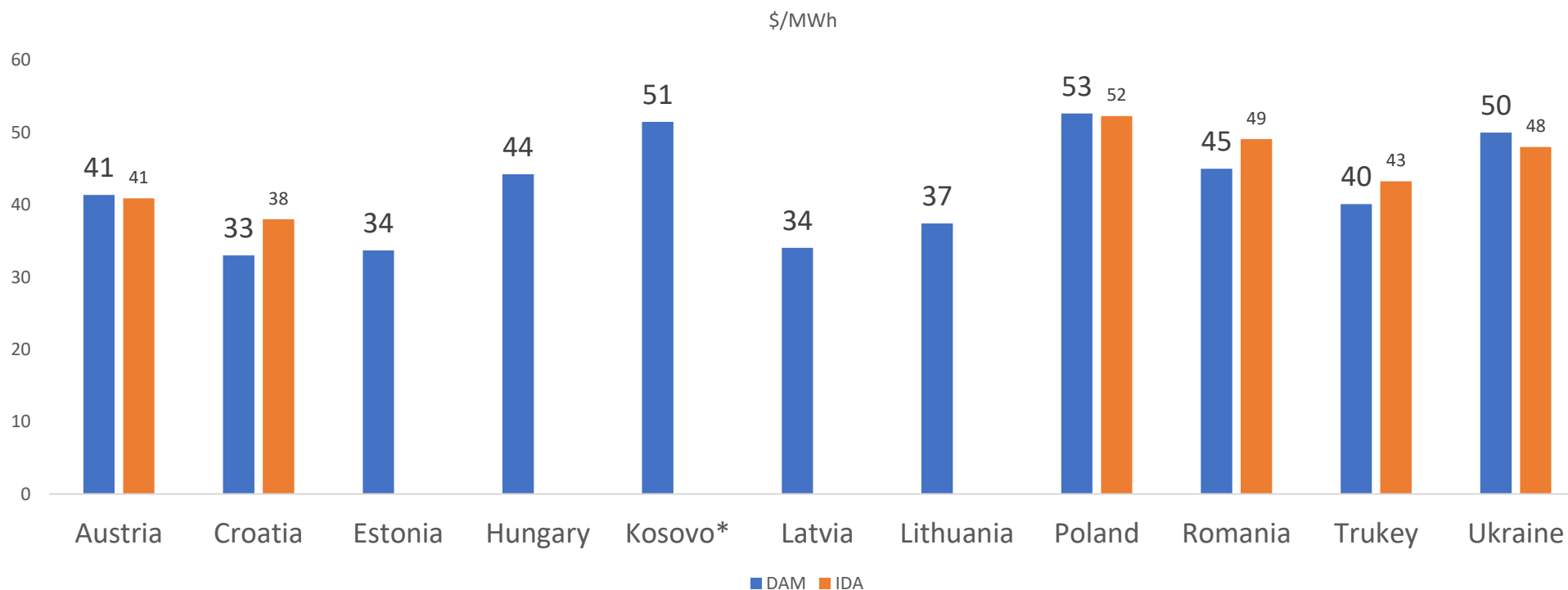
- Day-ahead/power exchange
- Intraday
- OTC/bilateral contracts
- Balancing market
- Single buyer



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Prices on wholesale market

11 countries presented information about annual average prices of electricity spotted on Day Ahead Market. Prices vary from 30 to 55 \$/MWh. Information about electricity prices spotted on Intra Day market is presented by 6 countries and the prices vary from 32 to 53 \$/MWh.

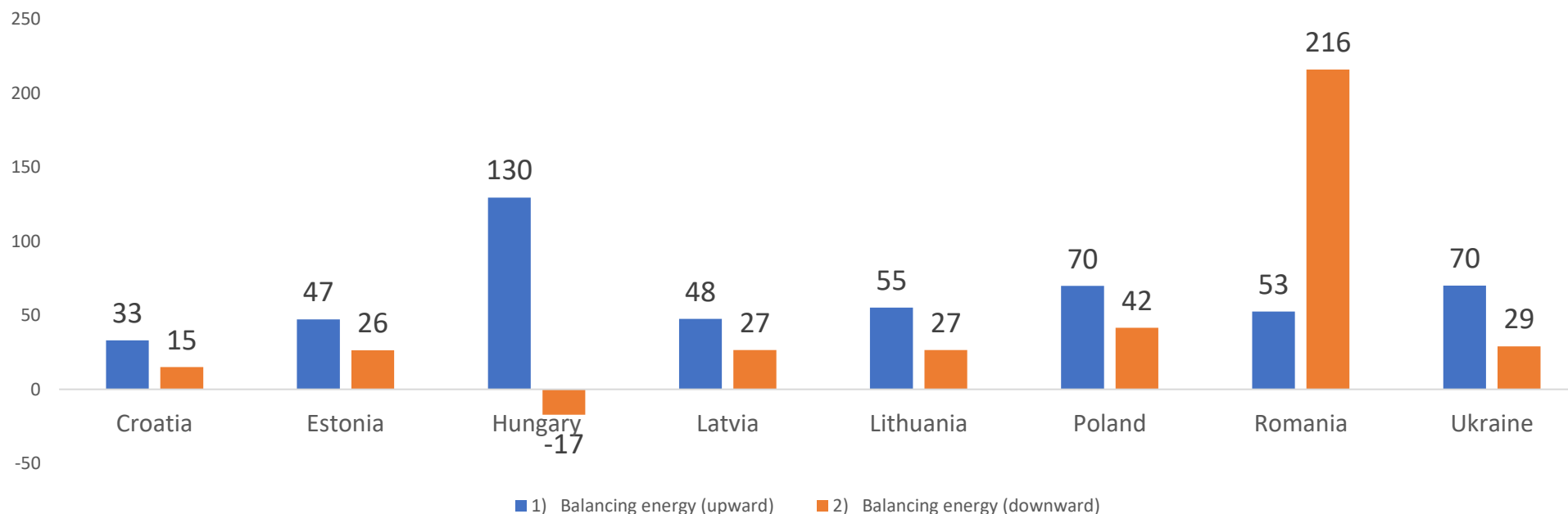




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Prices on wholesale market

Information about annual average prices of electricity spotted on Balancing Markets are presented by 8 representatives, but prices are not comparable as they vary from 33 \$/MWh to 130 \$/MWh for upward regulation, from -17 \$/MWh to 216 \$/MWh for down regulation. As for imbalance charge for long and short positions varies from 0.71 \$/MWh to 130 \$/MWh

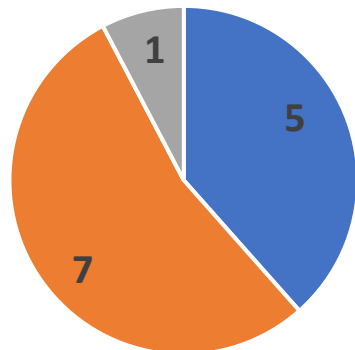




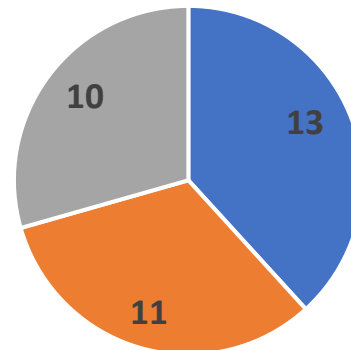
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Cross Border Trading

In 13 countries, cross-border capacity calculation is held on year ahead, in 11 – month ahead, in 10 – day ahead or intraday. As for cross-border capacity calculation methods 5 countries use pure bilateral (Croatia, Georgia, Hungary, Romania and Ukraine), 7 – coordinated and 1 flow based method. (Austria uses flow based method along with coordinated one).



- Pure bilateral NTCs
- Coordinated NTCs
- Flow based / other



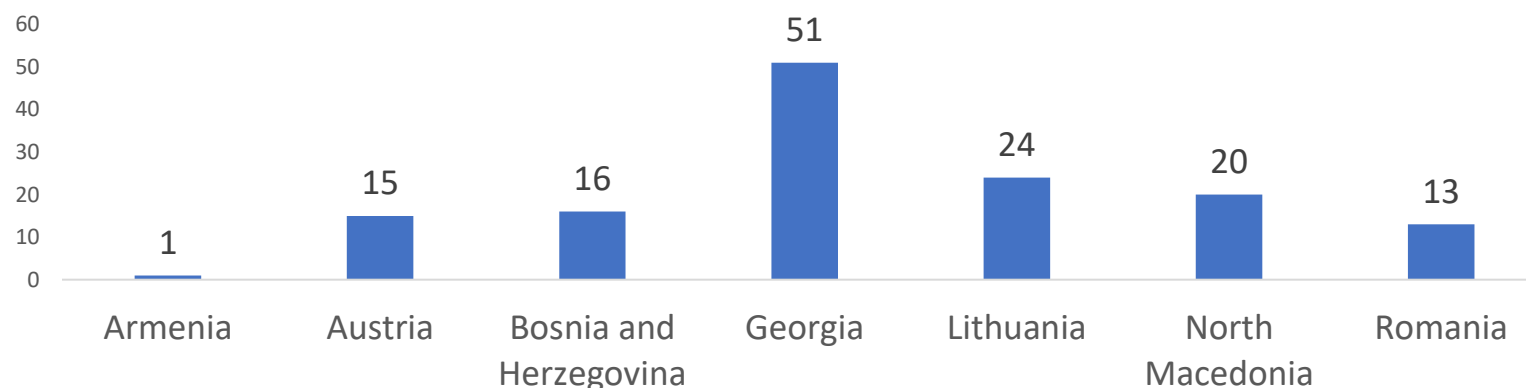
- year ahead
- Month ahead
- day ahead / intra day



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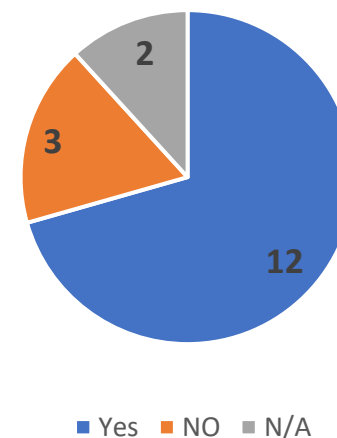
Cross Border Trading

7 countries presented information about companies involved in cross-border trading. The results are shown on the figure 19. However, not all registered trader may be active at the market. For instance, in Georgia, mostly 3 traders are active.)



In 12 countries out of 17 Licensing is necessary to involve in the cross-border trading. In 3 countries (Austria, Georgia, Dubai) the licensing for the mentioned activity is not required and cross border trade is deregulated

Licensing obligation necessity for cross-border trading





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Conclusion and Challenges

In most analyzed markets:

- the unbundling of TSO and DSO has been done in order to ensure their independence and nondiscriminatory behavior.
- Electricity is traded on Organized markets
- free suppliers exceed the number of the regulated suppliers
- does not constitute sufficient barriers for entering the market

Challenges:

- No indicator for deregulation
- Measurements for effective comparison





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THANK YOU FOR YOUR ATTENTION!

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