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# Deregulation of Electricity Markets

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# Introduction

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- Task – to determine the status-quo in electricity market deregulation in member organizations
- The Methodology - Questionnaire prepared and shared
  - New EMERC members involved in the process
- Responses received from 17 member organizations



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# Main Aspects

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- Covid-19 and Energy Crisis
- Market deregulation process in New EMERC members
- Electricity supply and demand
- Fuel mix
- Unbundling
- Organized markets for trading
- Cross Border Trade
- Balancing and Ancillary services

# Covid-19 and Energy Crisis



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Energy Crisis, expressed in historical high prices of commodities (Natural Gas, Coal), become driver for governments to implement mitigation measures to avoid skyrocketed bills.

- The Austrian government launched the energy-saving campaign "Mission 11" that focused on raising awareness on the behavioral changes needed to save energy by 11% covering the fields of electricity, heat, mobility, and hot water
- In Croatia government adopted two packages with total value of 3.437 billion EUR; electricity prices were capped and gas delivery VAT were reduced
- Latvia led to amendments I legislation compensating 50% of the costs of the electricity system service for electricity end-users for a certain period of time, also the grant to vulnerable consumers to reduce monthly payment by 10 to 20 EURs
- Romania has implemented price caps and regulated prices formula with a supplier surplus cap for final consumers and compensations for suppliers from the Budget.

# Electricity supply and demand

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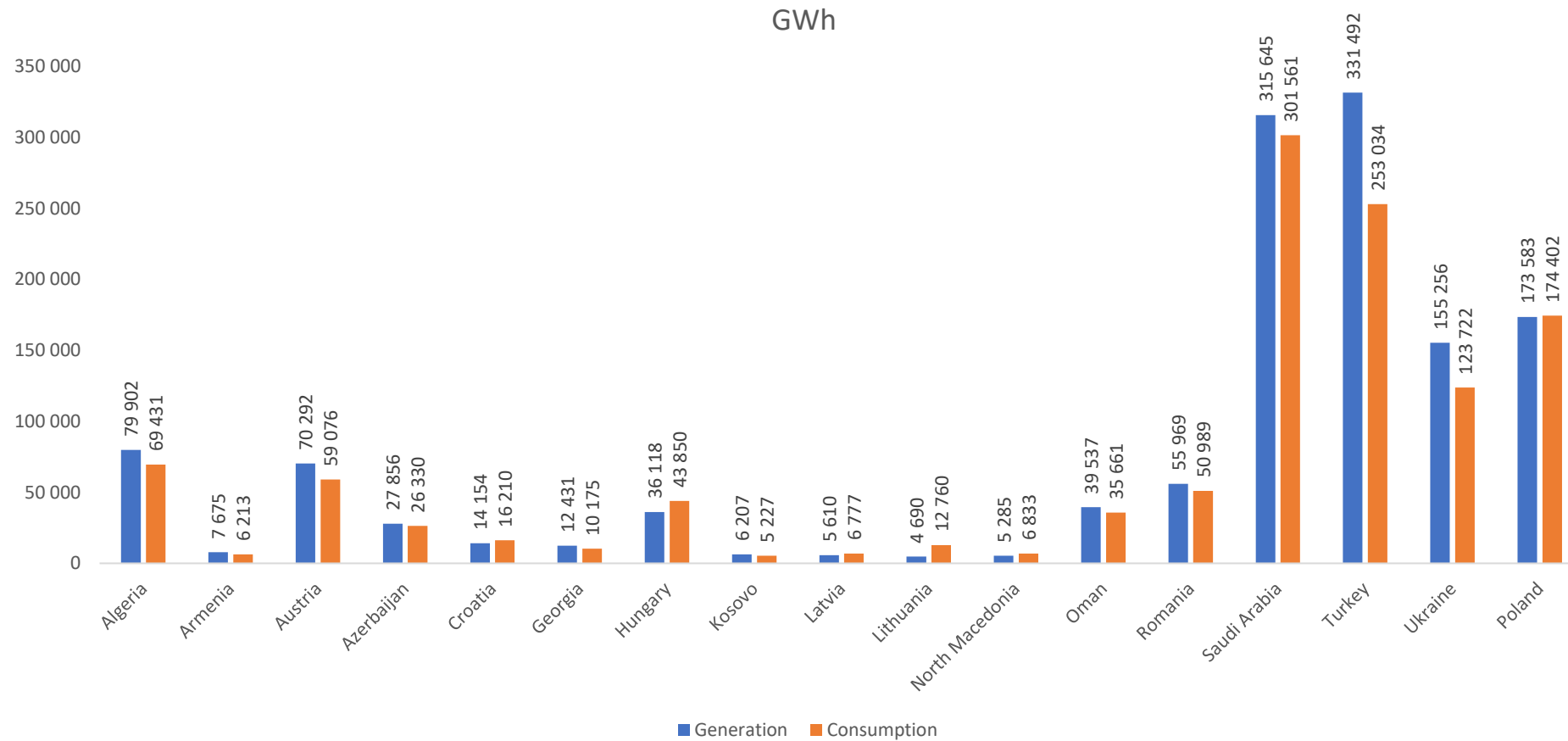
## New EMERC members involved in the Status Quo Work in Process – Algeria, Oman, Saudi Arabia

- Algeria - The electricity market in Algeria was liberalized since 2002. Although, the unbundling was fulfilled, yet several segments of the sector are still owned by the public holding and commercialization activity is still carried out by the distribution company. In overall due to the monopolistic situation there is an absence of effective competition on every segment of energy sector
- Oman has a vertically unbundled electricity structure. Oman's electricity market is currently undergoing a transition, with the key highlights of Distribution and supply separation (unbundling) and launching wholesale electricity market. As currently most plants have existing long-term PPA in place, the wholesale market provides an opportunity for plants with expiring PPAs (and others) to offer their capacity and output to the market.

# Generation and Consumption



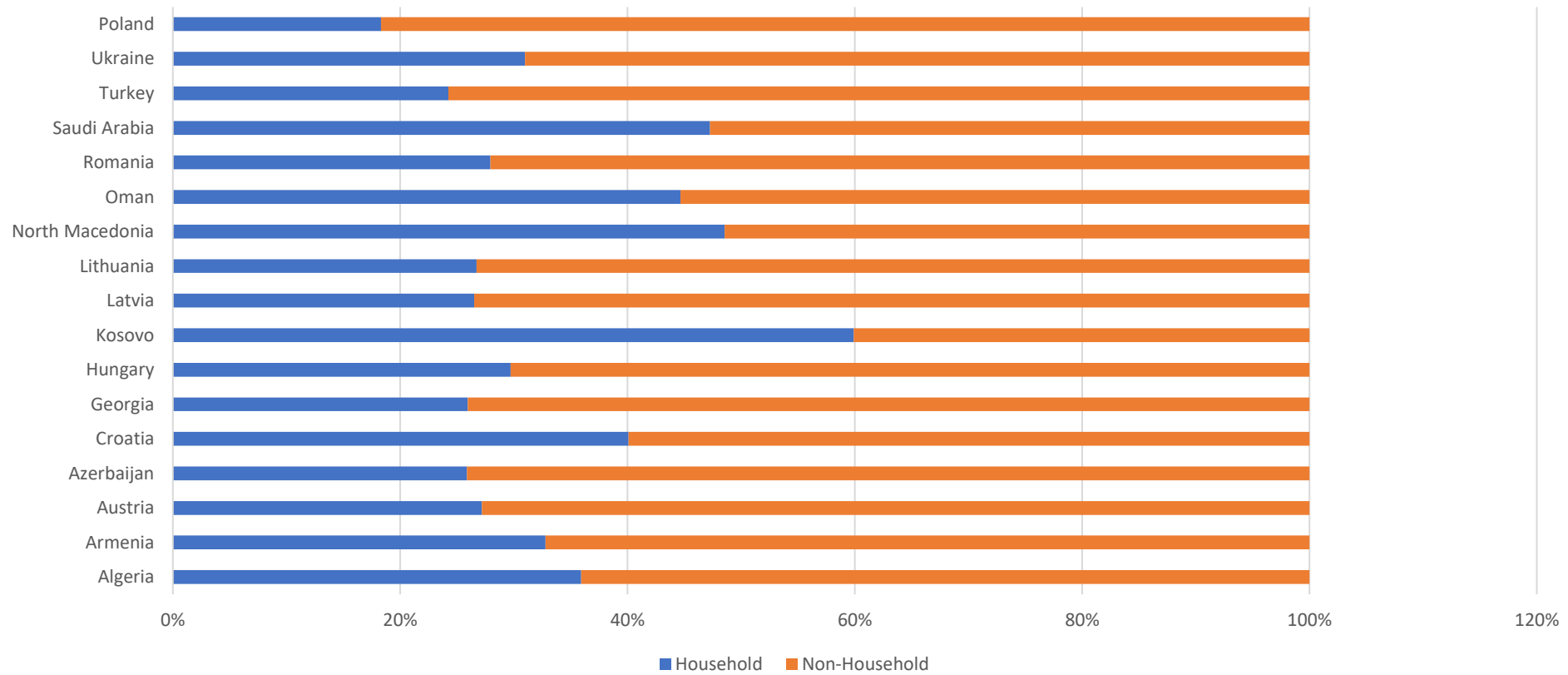
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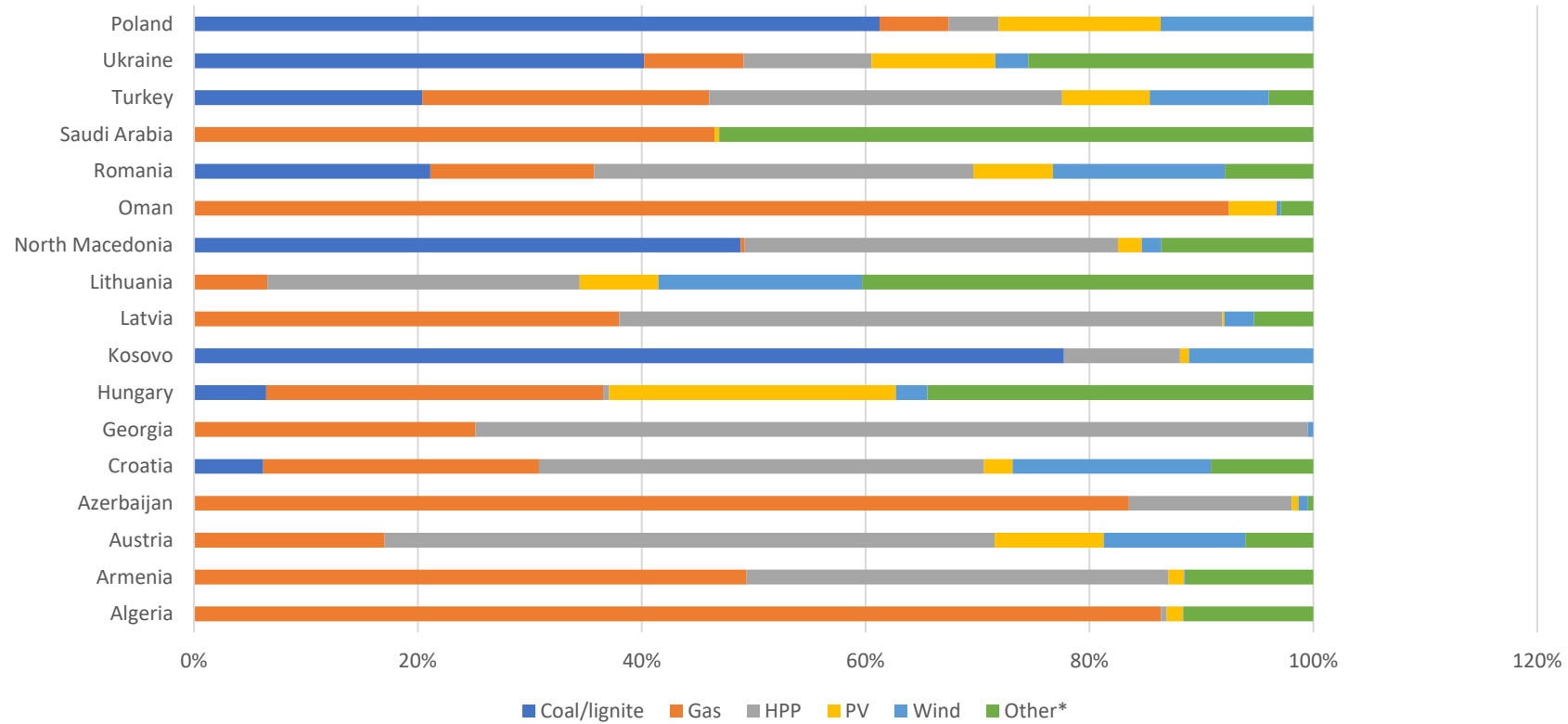
# Household and non-household consumption share from the total consumption





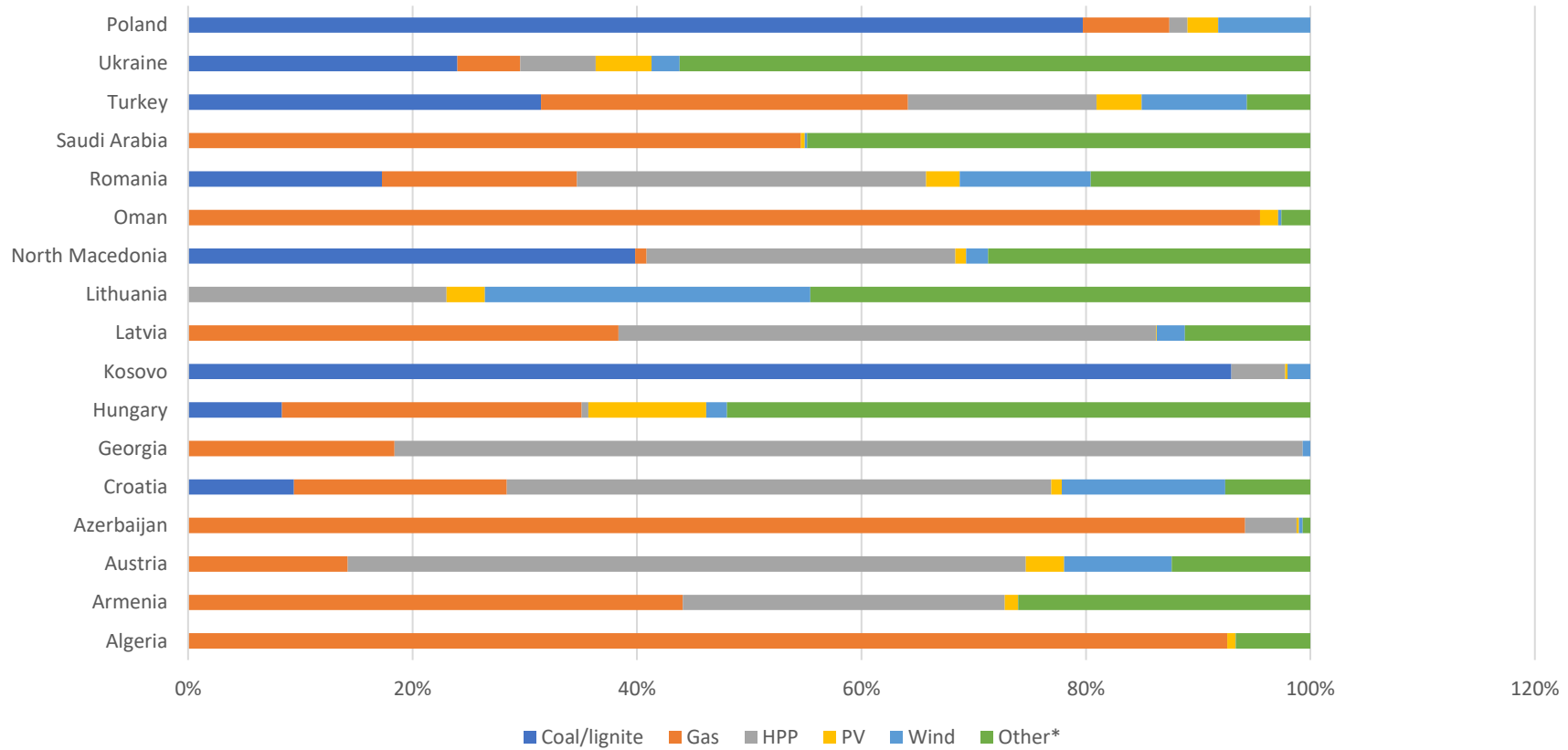
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# Power mixes based on technologies (Installed Capacity)





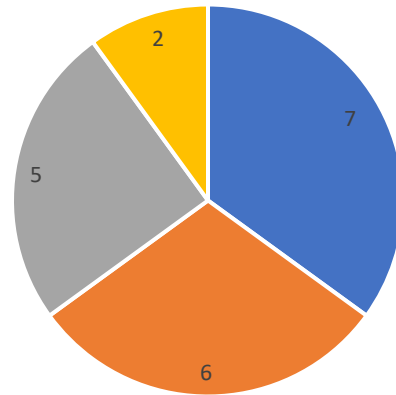
# Power mixes based on technologies (Generation)



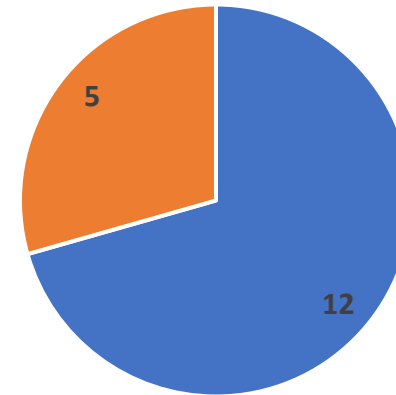
# TSO/DSO unbundling



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■ OU ■ ISO ■ ITO ■ No Unbundling Requirement

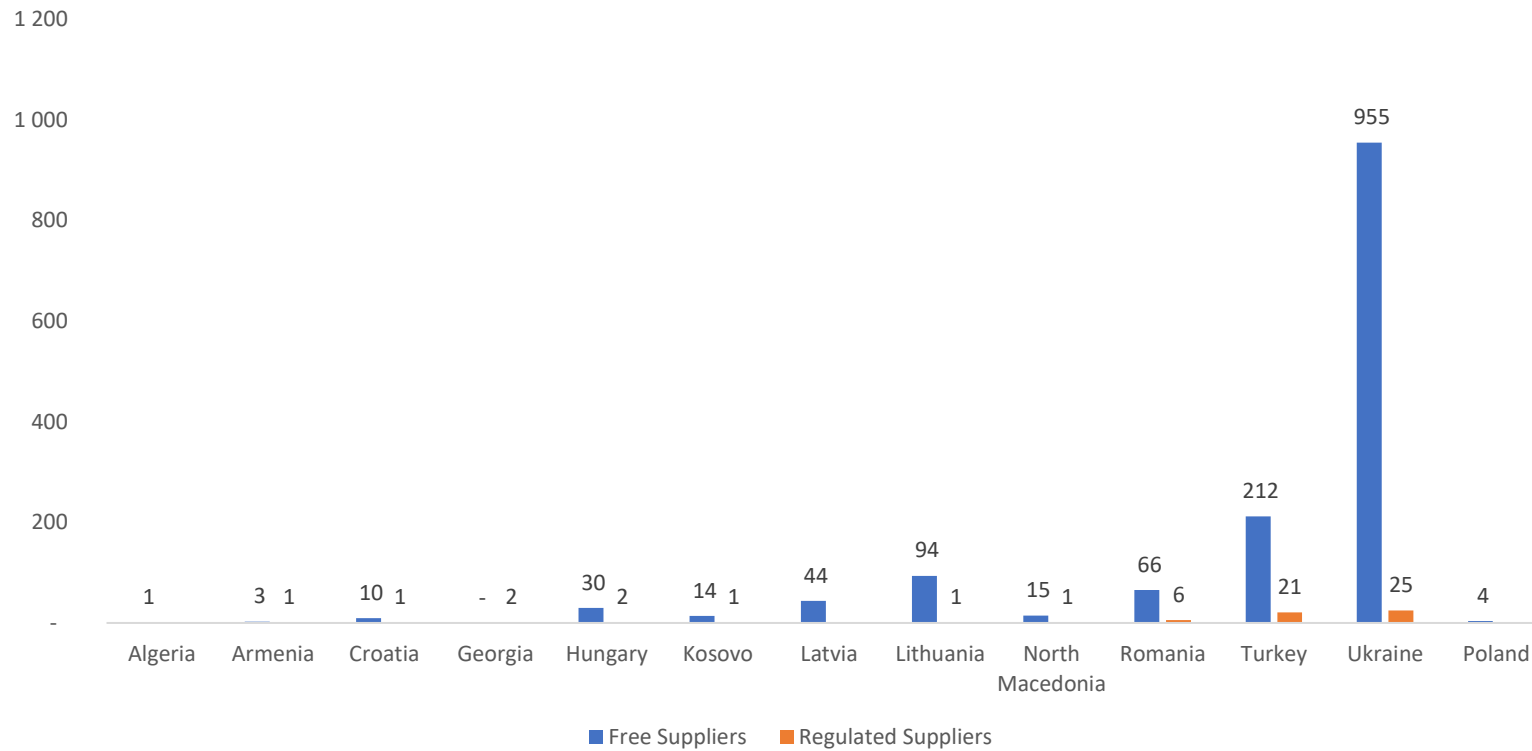


■ YES ■ No requirements

# Number of Free suppliers vs regulated suppliers



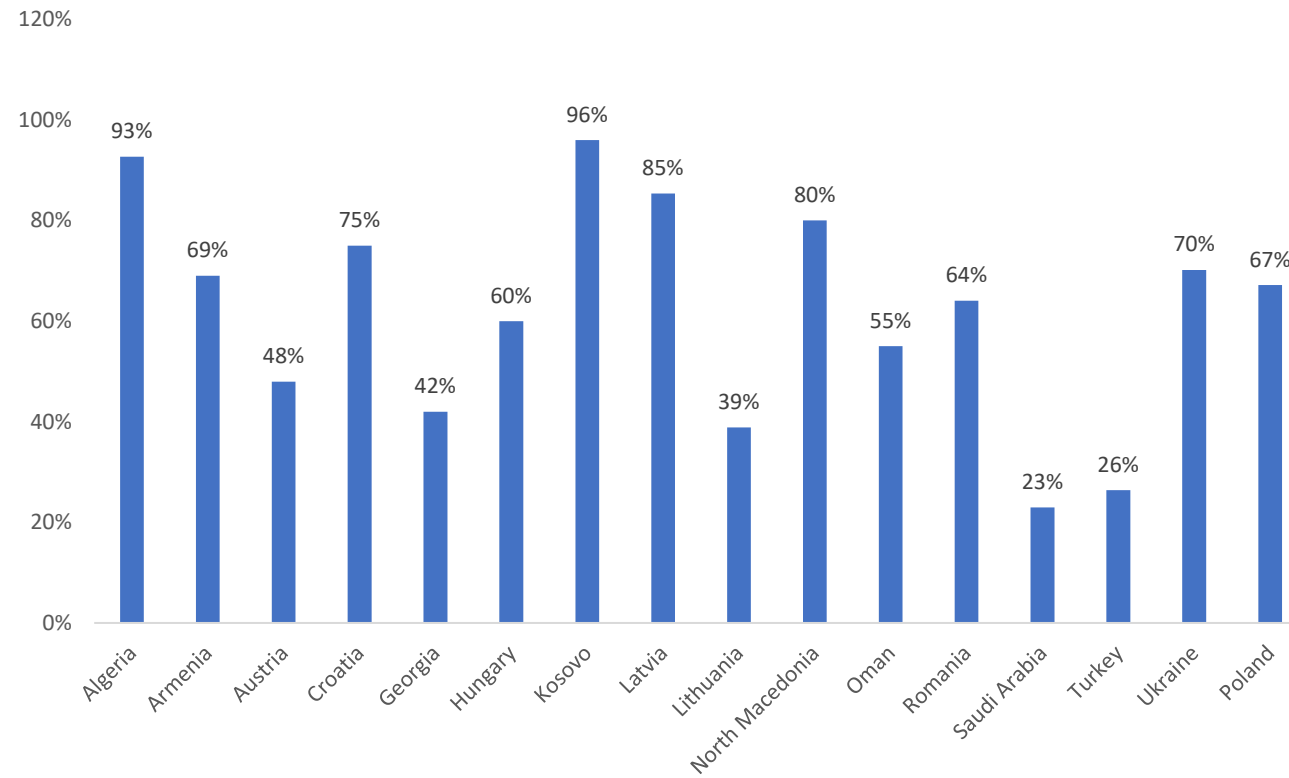
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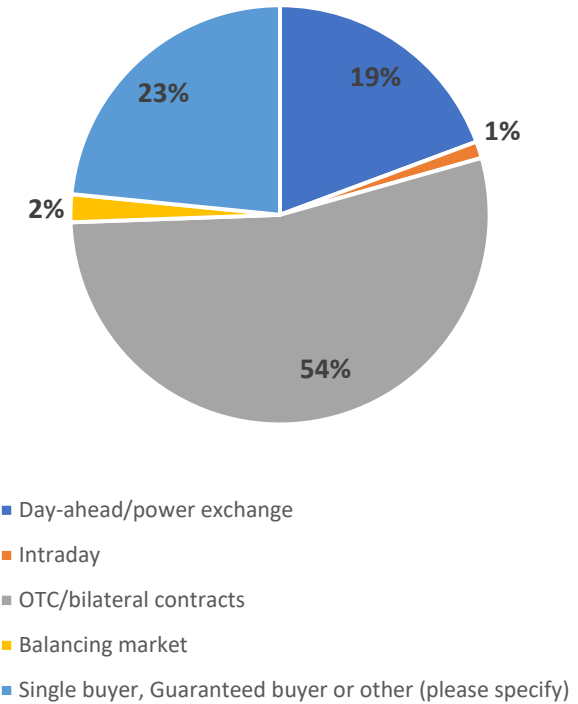
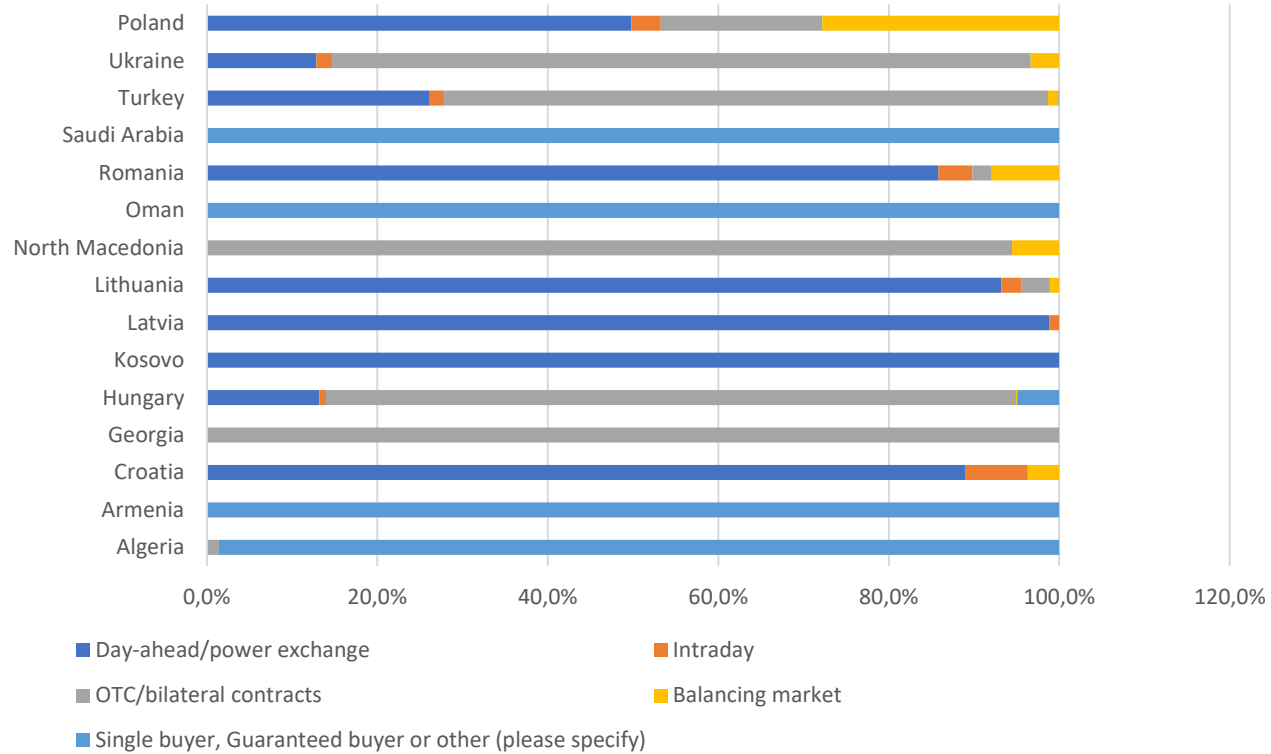


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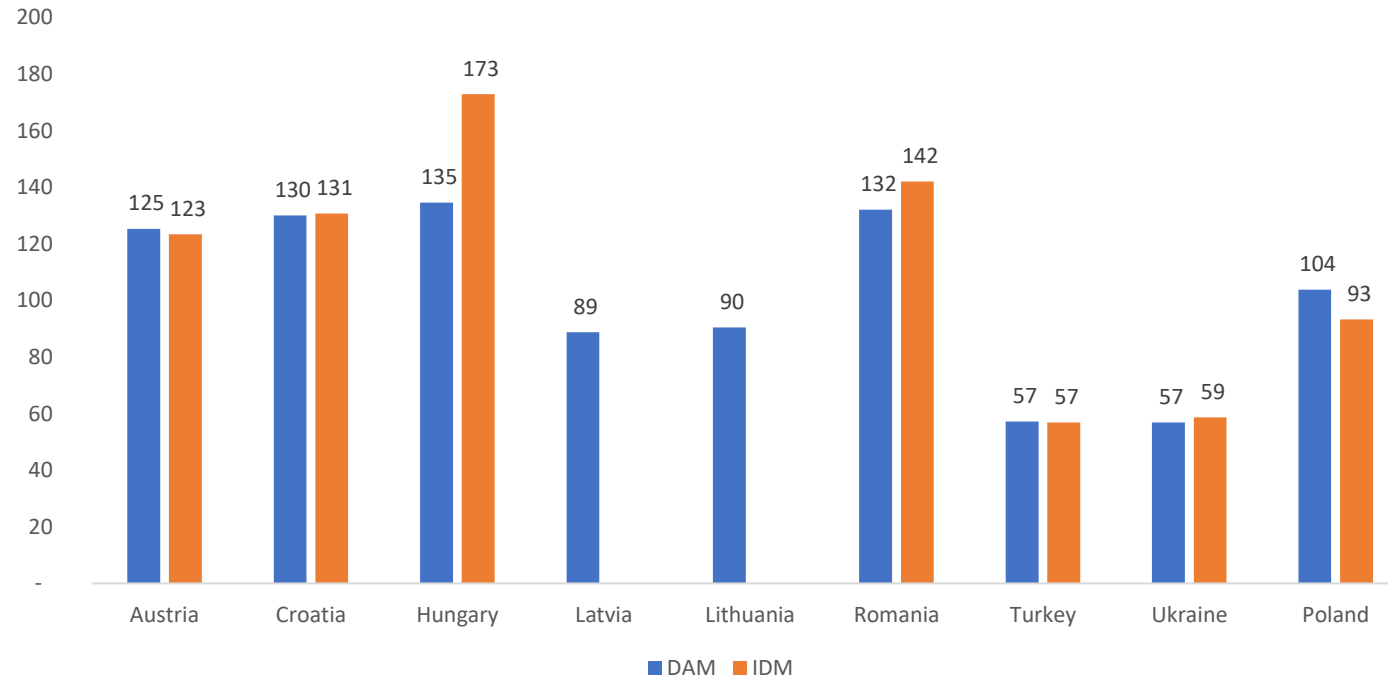
# Production Share of 3 largest producers (%)



# Deregulation Analysis – Market Segments



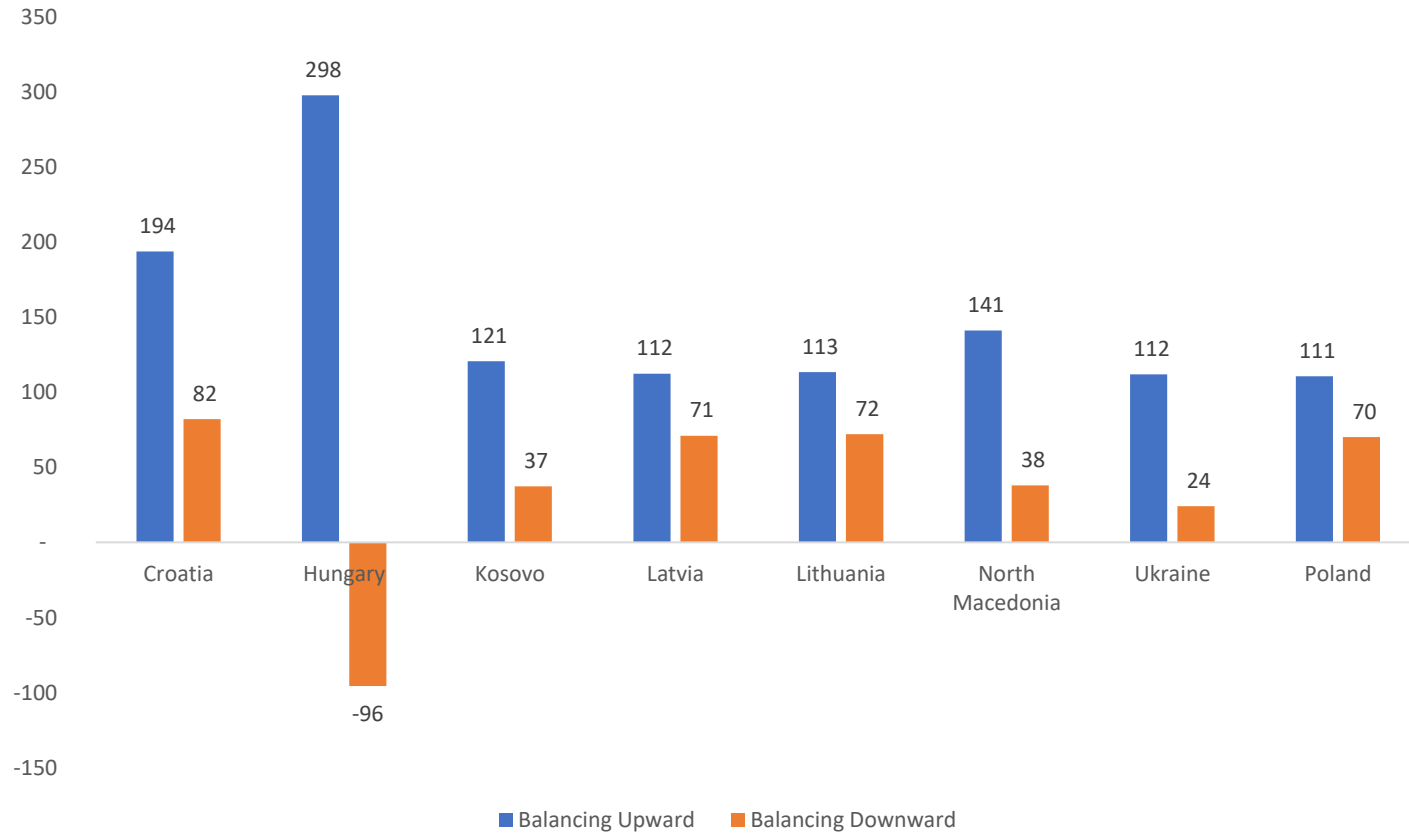
# Prices on wholesale market (1)





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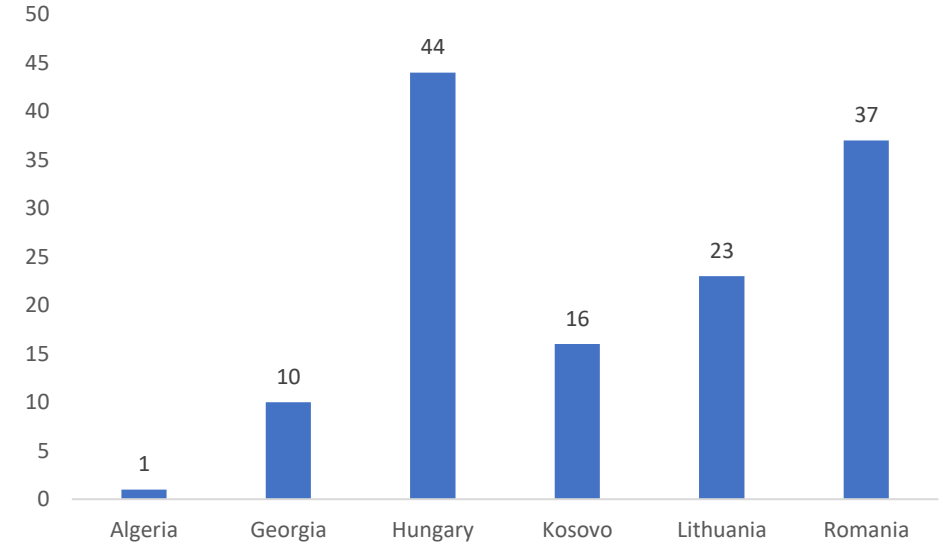
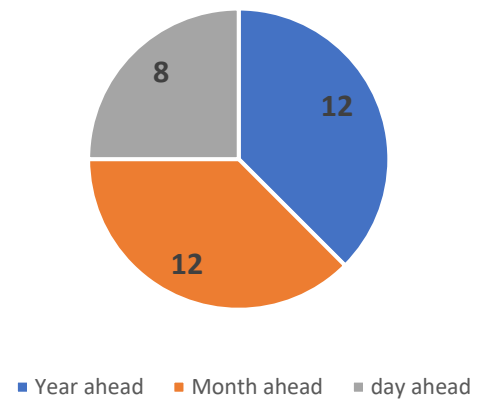
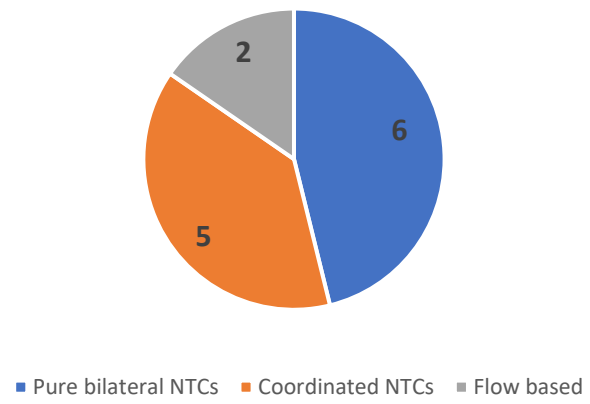
# Prices on wholesale market (2)



# Cross-Border Trading



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## Conclusion

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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



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**THANK YOU  
FOR YOUR ATTENTION!**

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