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WORKSHOP ON ELECTRICITY MARKET MONITORING IN SOUTH EAST EUROPE

ASSESSING THE DRY RUN MARKET MONITORING EXPERIENCE

18 May 2010, 9:00 – 17:30

Energy Community Secretariat – A-1010 Vienna, Am Hof 4

Workshop Objectives

To advance the development of electricity market monitoring in South East Europe, USAID initiated a Dry-Run Market Monitoring Project in September 2009. The Dry Run Project – in close cooperation with the ECRB Electricity Working Group – uses an on-line exchange among regulators, TSOs, and USAID consultants to study market monitoring tools and processes. This workshop examines the experience of this Dry Run Project so far in order to assess results and to establish objectives for the future. The goals of the Workshop are:

- To review the screens, thresholds, and processes proposed in the Dry Run Market Monitoring Manual;
- To share the dry-run experiences of regulators and TSOs with these screens and processes;
- To review and interpret data and results collected pursuant to those screens;
- To solicit advice from regulators and TSOs regarding the utility of proposed screens and the development of future screens;

The desired outcomes of the workshop are:

- To establish an initial conversation on the project and the specific tools and processes;
- To ascertain some direction from regulators concerning the immediate and long-term direction of the dry-run project;
- To strengthen the networks among regulators, TSOs, and USAID consultants to advance the project;

The Energy Community Secretariat invites national regulators and TSO representatives from all jurisdictions comprising the 8th Congestion Management Region.

Draft Agenda

Chair: Nenad STEFANOVIC, Chairman ECRB Electricity Working Group

Registration and Welcome Coffee 8:30 – 09:00

Welcome Address and Introduction 9:00 – 9:15

Slavtcho NEYKOV, Director of Energy Community Secretariat
Robert ARCHER, USAID
Nenad STEFANOVIC, Chairman ECRB Electricity Working Group

Overview 9:15 – 9:35

- 1 **Principles of Market Monitoring**
Dr. Robert A. SINCLAIR, Potomac Economics
- 2 **Overview Dry Run Approach**
Dr. Robert A. SINCLAIR, Potomac Economics

Dry Run Market Monitoring Manual – Screens 9:35 – 10:25

Chapter 1: Base Case Exchange (BCE) Screen

- 1 **Theoretical Background – BCE Screen Theory and Measurement**
Dr. Robert A. SINCLAIR, Potomac Economics
- 2 **Results of BCE Screen November 2009-March 2010**
Dr. Robert A. SINCLAIR, Potomac Economics
- 3 **Discussion**
 - Alternative threshold values: should the 15% threshold be changed?
 - Alternative mitigation measures: what action to take when the threshold is violated to ask the TSO to do?
 - Are there clear benefits from screen implementation as regards the purpose of market monitoring?
 - Do regulators agree on the technical correctness of the BCE Screen?
 - Agreement of regulators on collecting requested data as requested by BCE Screen?
 - Agreement on implementing BCE Screen?Moderation Dr. Robert A. SINCLAIR

Coffee Break 10:25-11:00

Chapter 2: Already Allocated Capacity Screen 11:00 – 11:55

- 1 **Theoretical Background – AAC Screen Theory and Measurement**
Dr. Robert A. SINCLAIR, Potomac Economics
- 2 **Results of AAC Screen January-March 2010**
Dr. Robert A. SINCLAIR, Potomac Economics

3 Discussion

- Alternative threshold values
- Alternative mitigation measures
- Are there clear benefits from screen implementation as regards the purpose of market monitoring?
- Do regulators agree on the technical correctness of the AAC Screen?
- Agreement of regulators on collecting requested data as requested by AAC Screen?
- Agreement on implementing AAC Screen?

Moderation Dr. Robert A. SINCLAIR

Chapter 3: Limiting Facility Screen

11:55 – 12:45

1 Theoretical Background – Limiting Facility Screen Theory and Measurement

Dr. Robert A. SINCLAIR, Potomac Economics

2 Results of Limiting Facility Screen February-March 2010

Dr. Robert A. SINCLAIR, Potomac Economics

3 Discussion

- Alternative threshold values
- Alternative mitigation measures
- Are there clear benefits from screen implementation as regards the purpose of market monitoring?
- Do regulators agree on the technical correctness of the Limiting Facility Screen?
- Agreement of regulators on collecting requested data as requested by Limiting Facility Screen?
- Agreement on implementing Limiting Facility Screen?

Moderation Dr. Robert A. SINCLAIR

Lunch Break

12:45-13:45

Chapter 4: Load Forecast Screen

13: 45 – 14:35

1 Theoretical Background – Load Forecast Screen Theory and Measurement

Dr. Robert A. SINCLAIR, Potomac Economics

2 Measurement and Threshold

Dr. Robert A. SINCLAIR, Potomac Economics

3 Discussion

- Are there clear benefits from screen implementation as regards the purpose of market monitoring?
- Do regulators agree on the technical correctness of the Load Forecast Screen?
- Agreement of regulators on collecting requested data as requested by Load Forecast Screen?
- Agreement on implementing Load Forecast Screen?

Moderation Dr. Robert A. SINCLAIR

Round Table Discussion**14:35 – 15:00****Interaction of Regulators and TSOs**

- Process of interaction
- Issues with data collection
- Cooperation with other regulators/TSOs
- Further direction of Dry-Run project – timing of monitoring focus, when should screens be developed for coordinated auction, balancing mechanism, wholesale market opening etc.;
- How are agencies organized to continue project
- Others

Moderation Gheorghe INDRE (tbc), Chairman ENTSO-E Market Committee Regional Group South East Europe

Link to Coordinated Auction Monitoring**15:00 – 15:30****Potential to Develop the Monitoring Screens into Screening Approach to the Coordinated Auction**

Dr. Robert A. SINCLAIR, Potomac Economics

Regional & National Monitoring**15:30– 16:25**

- 1 Regional & National Monitoring – Possible Approaches**
Dr. Robert A. SINCLAIR, Potomac Economics
- 2 ECRB Approach for Monitoring a Future SEE CAO – Combining National and Regional Monitoring**
Nina GRALL, Head of ECRB Section
- 3 Discussion**
Moderation Nina GRALL

From Dry Run to “going live” – Next Steps**16:25 – 17:15****Proposals for developing the permanent capacity for a regulator-led monitoring program**

- Common approach of NRAs and TSOs for Screens to be implemented in practice
- Regional Market Monitoring Guidelines for the 8th Region
- Establish capacity and financing with NRAs/ECRB

Dr. Robert A. SINCLAIR, Potomac Economics

Nenad STEFANOVIC, Chairman ECRB Electricity Working Group

Concluding Remarks - Summary**17:15 – 17:30**

Nenad STEFANOVIC, Chairman ECRB Electricity Working Group