How do we see Market-coupling of electricity markets?

Ing. Michal Cabala, PhD.

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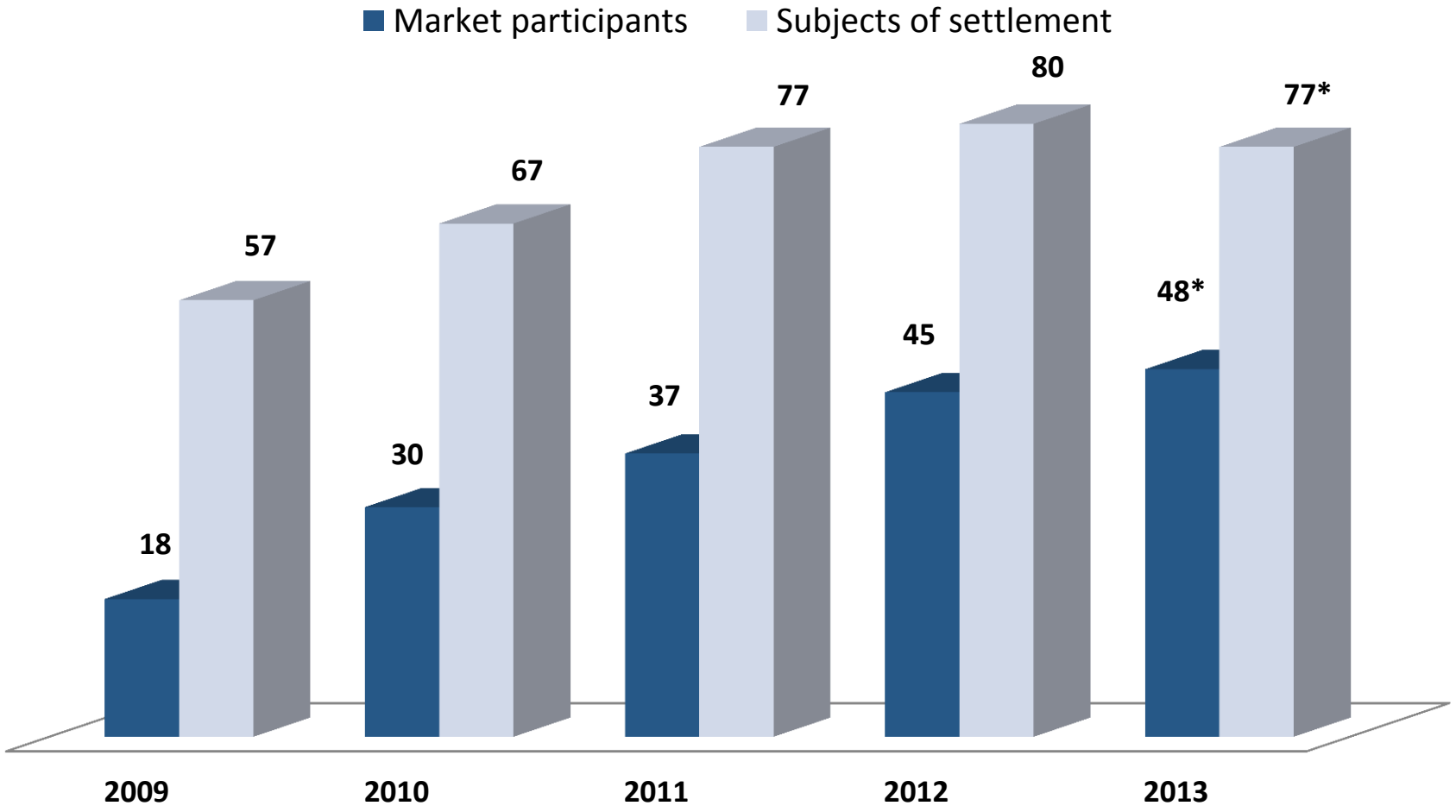
- Descripction of Market Coupling
- Market Coupling statistics
- International and regional integration of electricity market
- Planned development

History of OKTE, a.s.

- registered to commercial register in 11 August 2010
- 100% subsidiary SEPS, a.s. (TSO)
- carried out in accordance with Act no. 251/2012 on Energy and amending other acts
- Main activities:
  - organize and evaluate Short-term market
  - imbalance settlement
  - central data storage in SK – Go live 1.1.2014
  - central billing in SK – Go live 1.1.2014

Number of participants on Short-term market and subjects of settlement



*until: 15.11.2013

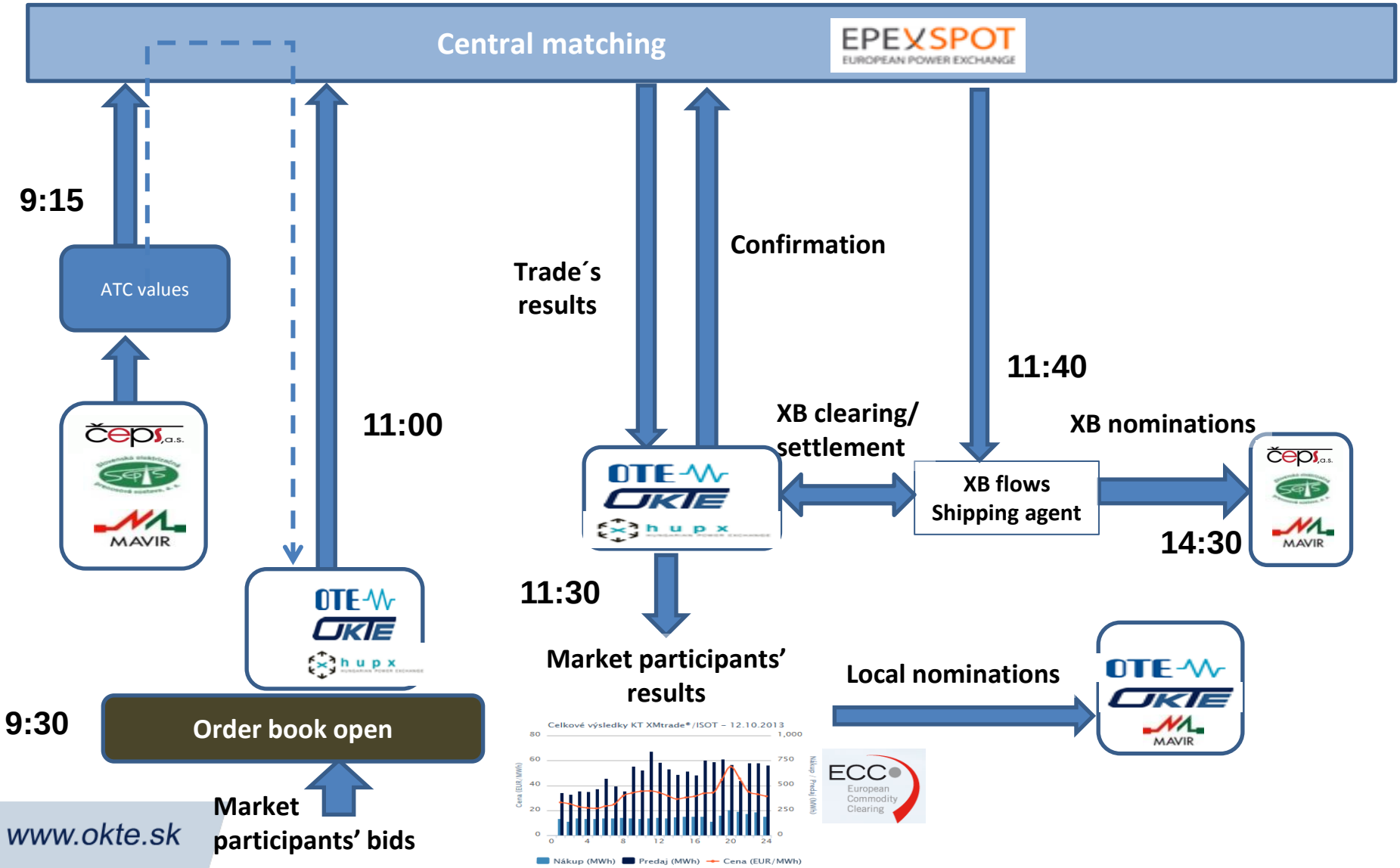
Market Coupling CZ-HU-SK

- 30 May 2011 - Memorandum of Understanding for cooperation in creating of a functional, interconnected and integrated European electricity market

- 30 June 2012 - completion of the project and start of the test operation

- 11 September 2012 – Go live
  Single Market Coupling Price method is based on the principles which are implemented in the CWE region

HLMD MC CZ-SK-HU



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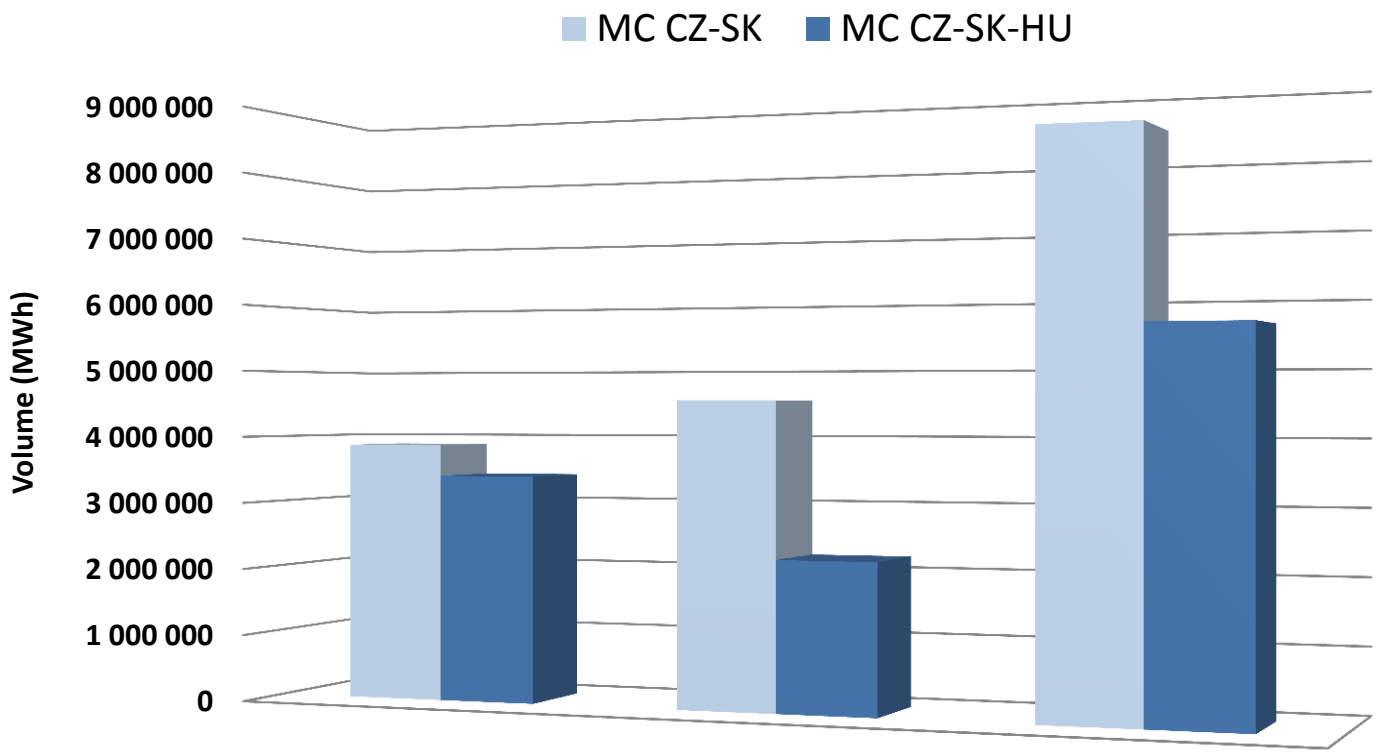
Comparison MC CZ-SK and MC CZ-SK-HU

Interval: 12. 9. 2011 - 11. 9. 2012 for MC CZ-SK and 12. 9. 2012 - 11. 9. 2013 for MC CZ-SK-HU



	Purchase	Sale	Total Purchase + Sale
MC CZ-SK	3 869 345	4 550 827	8 420 171
MC CZ-SK-HU	3 405 789	2 233 534	5 639 323
Percentage difference	**-11,98%**	**-50,92%**	**-33,03%**

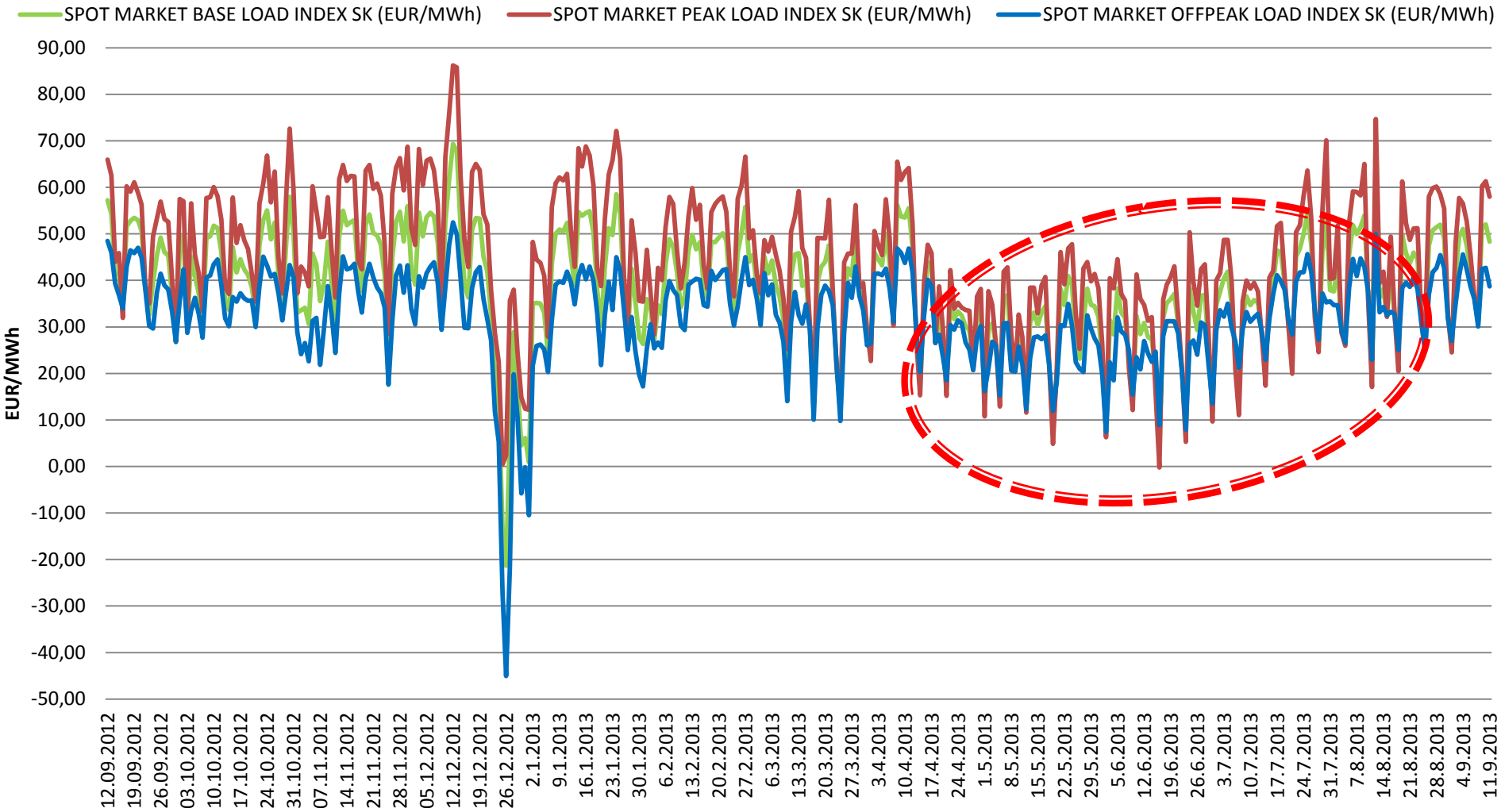
Purchase + Sale on SK Short-term market

Trading days 12.09.2011 - 11.09.2013

Market Coupling	Purchase+Sale in trading days			Nr. of trading days	Purchase+Sale - avarage volume (MWh)	Purchase+Sale - minimal volume (MWh)	Purchase+Sale of minimal volume Trading day	Purchase+Sale - maximal volume (MWh)	Purchase+Sale of maximal volume Trading day
CZ-SK	12.09.2011	-	11.09.2012	366	23 005,9	8 094,5	06.11.2011	40 429,7	02.08.2012
CZ-SK-HU	**12.09.2012**	**-**	**11.09.2013**	**365**	**15 450,2**	**8 531,2**	**05.10.2012**	**38 642,6**	**23.10.2012**
CZ-SK + CZ-SK-HU	12.09.2011	-	11.09.2013	731	19 233,2	8 094,5	06.11.2011	40 429,7	02.08.2012

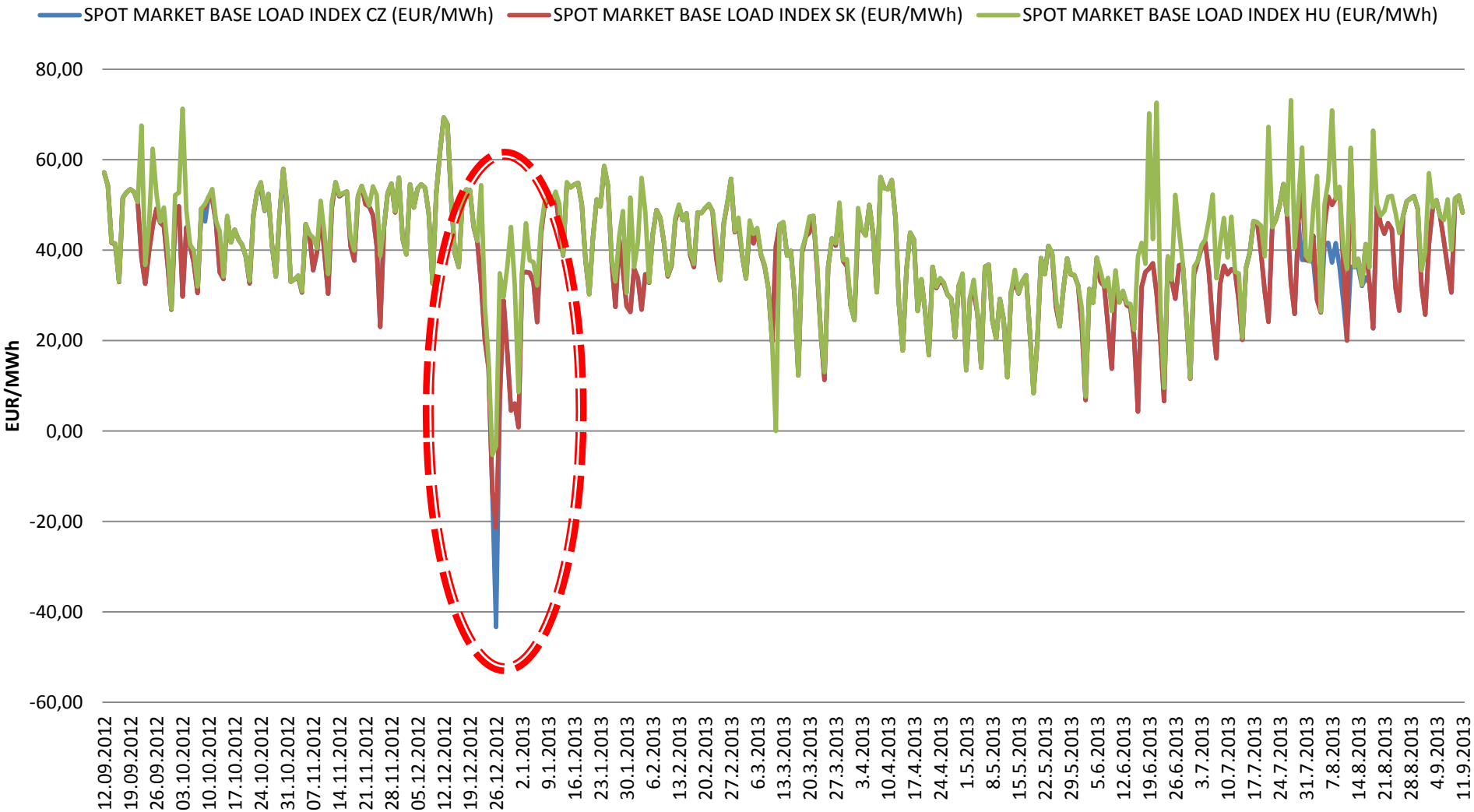
Indexes of MC CZ-SK-HU for SK

Interval: 12. 9. 2012 - 11. 9. 2013



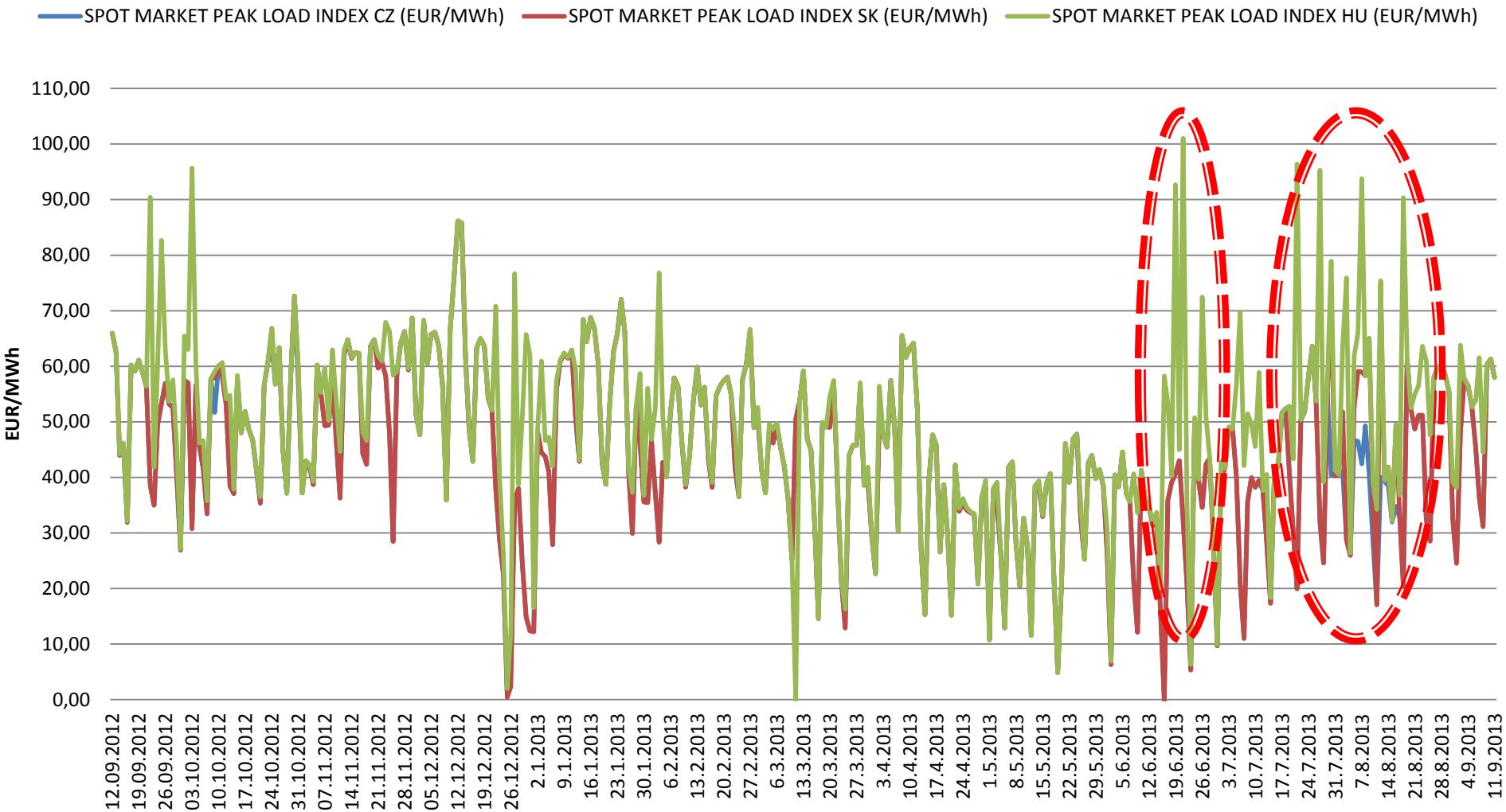
BASE LOAD – MC CZ-SK-HU

Interval: 12. 9. 2012 - 11. 9. 2013



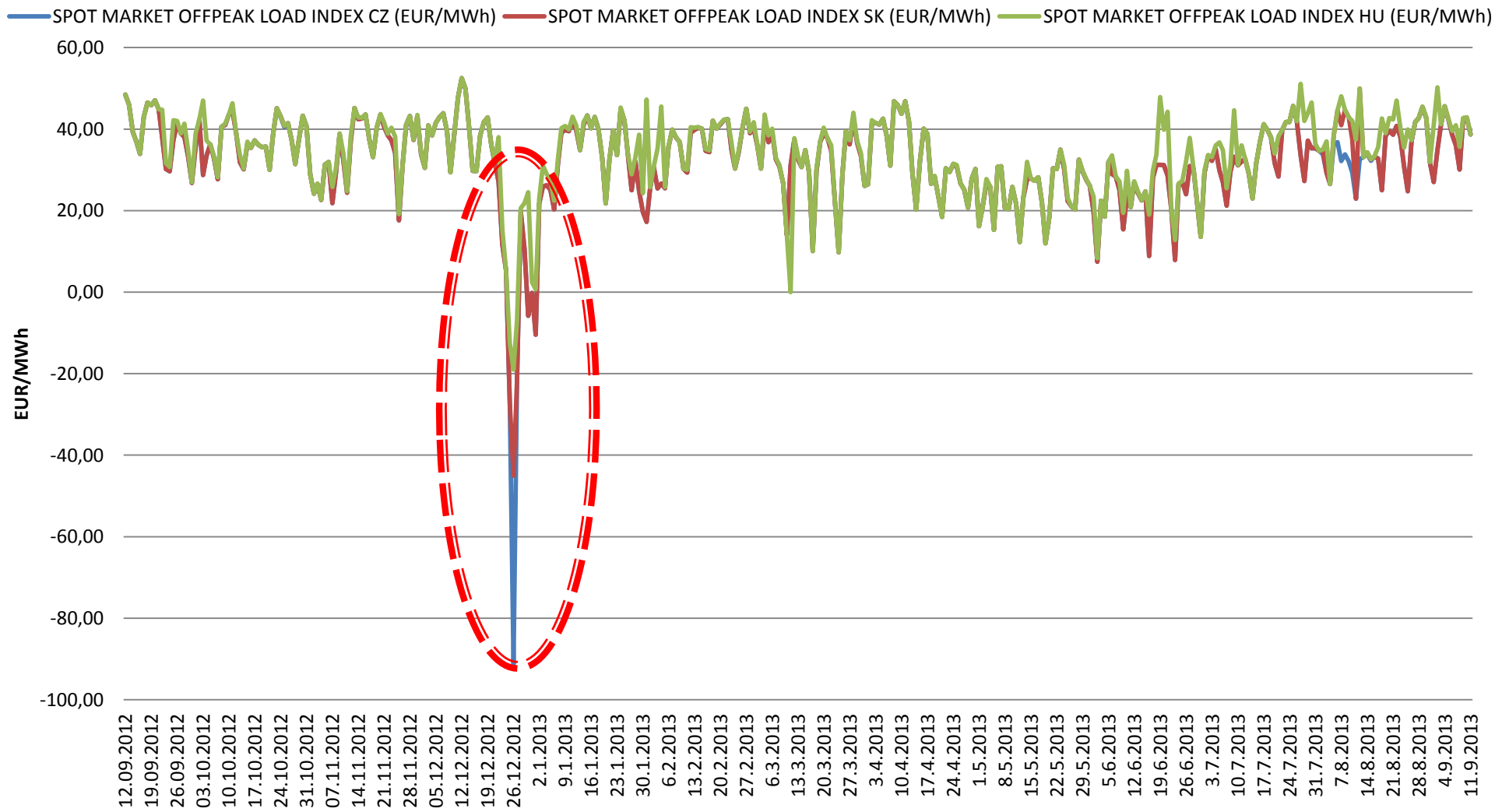
PEAK LOAD – MC CZ-SK-HU

Interval: 12. 9. 2012 - 11. 9. 2013

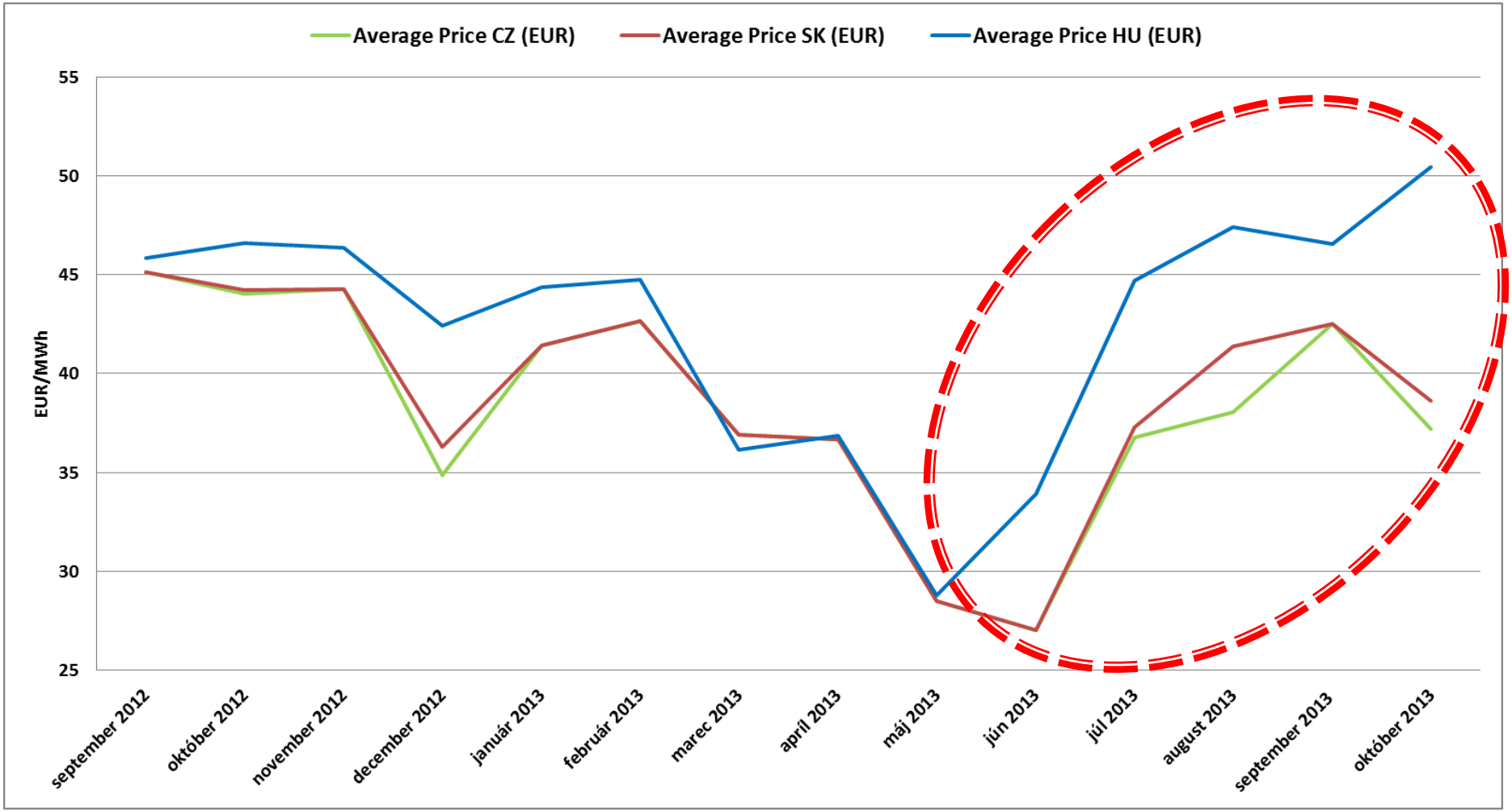


OFFPEAK LOAD – MC CZ-SK-HU

Interval: 12. 9. 2012 - 11. 9. 2013



Monthly average price MC CZ-SK-HU



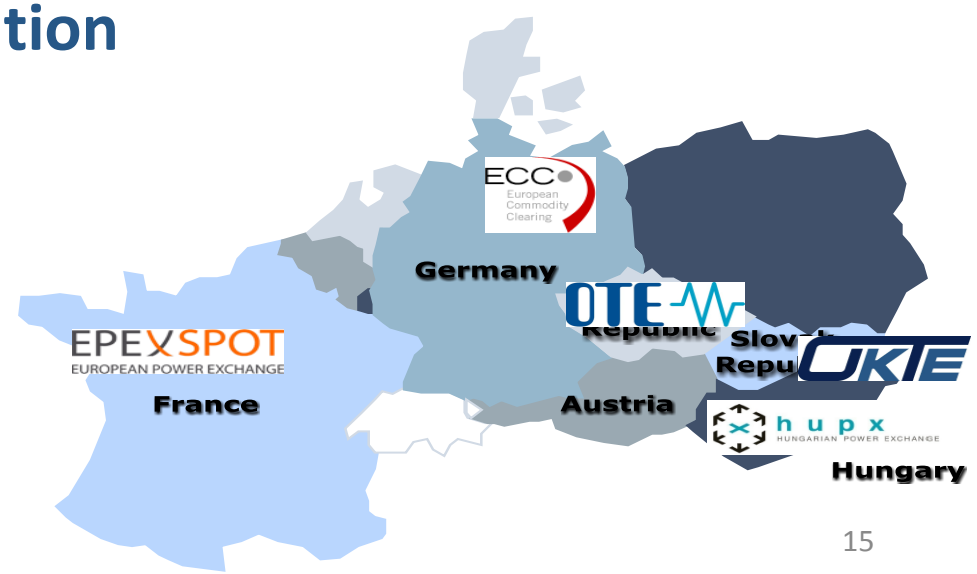
Anomalies during MC CZ-SK-HU operation

Interval: 12. 9. 2012 - 11. 9. 2013

- **Max. price – CZ –** 123,91 EUR/ MWh, 18. hod., 12.12.2012
  – SK – 123,91 EUR/ MWh, 18. hod., 12.12.2012
  – HU – 170,01 EUR/ MWh, 13. hod., 22.9.2012
- **Min. price – CZ –** -300 EUR/ MWh, 3. až 7. hod., 26.12.2012
  – SK – -150 EUR/ MWh, 3. až 7. hod., 26.12.2012
  – HU – -113,67 EUR/ MWh, 5. hod., 26.12.2012
- **Negative prices** - in 72 trading hours for SK
- **Second Auction** on trading day 26.12.2012
- **Decoupling** on trading day 11.3.2013
  - 12:45 results for HU Shadow auction
  - 14:04 results for SK-CZ Bilateral Day-Ahead coupling

… What could we tell about MC CZ-SK-HU today?

- the most successful project in cross-border trade in the CEE region
- positive reactions of the Short-term market participants
- opportunity to extension on other market areas
- successful one-year operation

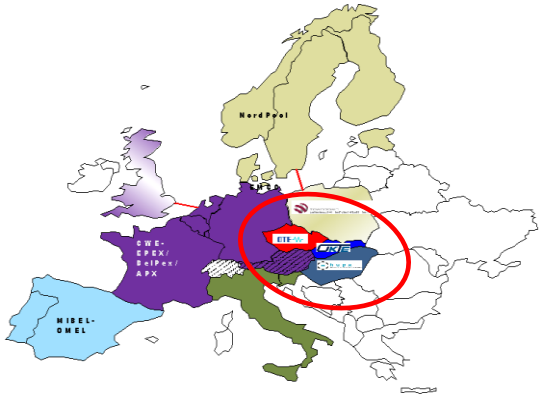


International integration of markets

- the EU aims to create a single day-ahead electricity market

- the European Council is committed to create a single day-ahead electricity market by 2014.

- Target Model for single day-ahead electricity market should be the method Price Single Market Coupling



Regional integration of markets

- Two projects with different approaches:
  - Market coupling
  - Project FBA – Flow-Based Allocation

- CEE PXs support Market Coupling
  - tested and proven
  - short implementation time and support from side traders
  - new projects are consistent with the target solution for single day-ahead electricity market
- Next steps:
  - Finalizing and signing MoU
  - Establishment of a common CEE TSO/ CEE PXs project structure and a project structure of CEE region with NWE region
  - Harmonization FB with CWE region
  - Harmonization IT solution among PXs

Planned development

- **Short-Term Development Plan:**
  - central data storage in SK – Go live 1.1.2014
  - central billing in SK – Go live 1.1.2014
  - Imbalance settlement (changes of procedures and types of evaluations) – Go live 1.1.2014
  - Change Fallback solution on CZ-SK Border (Explicit Shadow Auction) – Go live 1.3.2014
  - extension of MC CZ-SK-HU

- **Mid-Term Development Plan:**
  - intraday market
  - single buyer – RES and CHP

- **Long-Term Development Plan:**
  - further energy commodities
  - emission allowances
  - short-term and long-term products trading

Thank you for your attention.

Ing. Michal Cabala, PhD.
Chairman of the Board of Directors

OKTE, a.s.
Mlynské nivy 59/A
821 09 Bratislava

e-mail: **michal.cabala@okte.sk**