

- **Traded volume at BSP SouthPool in 2012 exceeded 3TWh**
- **Christophe Cesson (ACER): The main purposes of implementing the Target Model are to ensure that the existing infrastructures will be used optimally and improve price formation and convergence in Europe.**
- **In the first half of the year 2012 total traded volume increased for 300%**

Traded volume at BSP SouthPool in 2012 exceeded 3TWh

Daily traded volume at BSP SouthPool by the end of Q3 2012 reached 3 TWh

Volume of entered orders and total trading volume in the Slovenian market from March to August 2012



Trading report June – August 2012

Total volume of concluded transactions in the period from June to August reached 954.966,228 MWh. The volume of entered orders in aforementioned period reached 2.720.020 MWh.

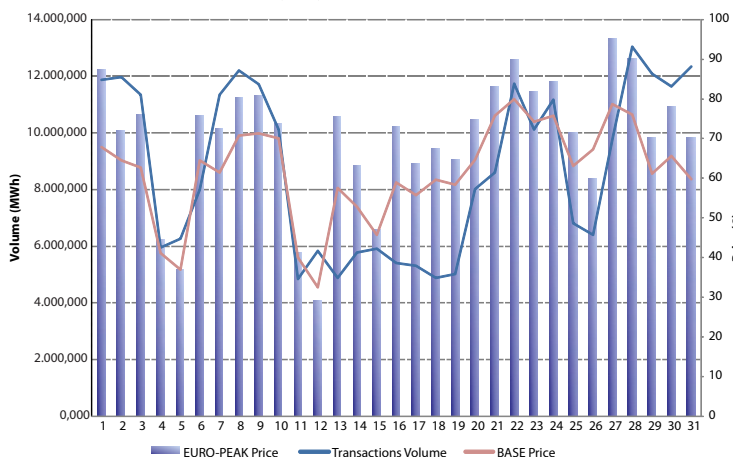
The highest monthly volume of transactions occurred in July at 322.292 MWh with 973.6188 MWh of entered orders. Maximum daily volume reached 13.033,521 MWh on 28th August and maximum hourly volume reached 647 MWh on 26th July in 1st hour.

In June average monthly price for Base reached 43,27 €/MWh and for Euro-peak 49,23 €/MWh. With average hourly volume of 447,63 MWh total volume reached 322.292 MWh represents 33,4% of Slovenian market consumption.

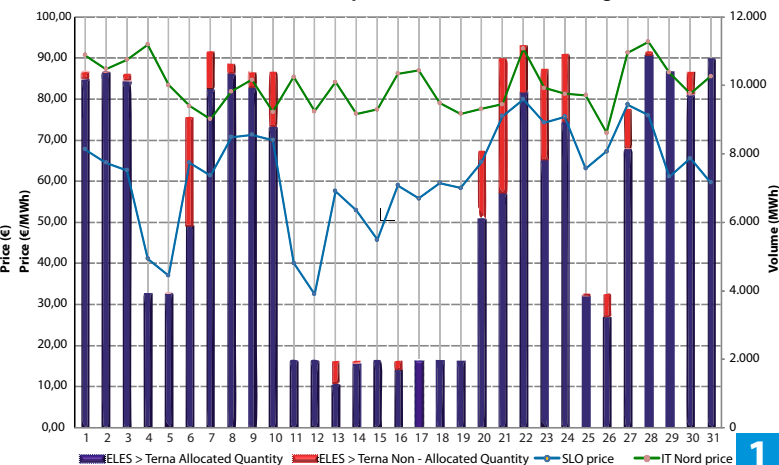
In July average monthly price for Base reached 57,05 €/MWh and for Euro-peak 65,92 €/MWh. With average hourly volume of 486,80 MWh total volume reached 362.181,019 MWh which represents 36,7% of Slovenian market consumption.

In August average monthly price for Base reached 61,77 €/MWh and for Euro-peak 69,99 €/MWh. With average hourly volume of 363,57 MWh total volume reached 270.493,209 MWh which represents 27,9 % of Slovenian market consumption.

Slovenian Market Auction Prices and Volumes Delivery Day: 01. 08. 2012 - 31. 08. 2012



Correlation between offered and allocated quantity of daily capacity on SI-IT border and difference between Base price on SI and IT market in August 2012



Christophe Cesson (ACER): The main purposes of implementing the Target Model are to ensure that the existing infrastructures will be used optimally and improve price formation and convergence in Europe.



Please highlight the main points of the Joint Declaration and its goal.

The goal of this Joint Declaration is to recall the objective shared unanimously by all CEE NRAs—which is the implementation of a Flow-Based Market Coupling (FBMC) by the end of 2013. It was important to issue this Joint Declaration, as discussions about the implementation plan have led to very specific and technical topics where the initial goal had been somehow demoted. This Joint Declaration helped all stakeholders to reframe their action in an efficient way toward the original objective.

The main points of this Joint Declaration are the following:

1. Unanimous commitment by CEE NRAs to implement an FBMC by the end of 2013;
2. Implementation to occur in one single step in the whole region (the FB as the capacity calculation and MC as the congestion management);
3. Implementation plan developed by TSOs (transmission system operators) and Power Exchanges that takes care of the elements raised in points 3 and 4 of the Joint Declaration, specifically, definition of a governance structure, setting of clear milestones, compatibility with the ongoing projects in the Central West Europe (CWE) Region and within the CEE region, as well as with the Capacity Allocation and Congestion Management Frameworks Guidelines and the coming Network Codes, and
4. Signature of a Memorandum of Understanding.

What is the current status of activities related to the implementation of the Target Model? Is there a roadmap for the implementation of the Target Model?

Activities related to the implementation of the Target Model for the day-ahead project are ongoing. They include the fact that Power Exchanges are working on the implementation of the Price Coupling of Regions (PCR) project in time in the North West Europe region (the first step in the European implementation plan), taking on board specificities from the CEE region for a quick and smooth extension by the end of 2013. In addition, TSOs are working together to develop an efficient FB method for the CEE region and in close cooperation with the CWE TSOs to ensure compatibility. A single CEE roadmap is to be presented by the end of the month.

What are the milestones or critical points to be overcome in order that the Target Model is successfully implemented?

One critical point particularly in the CEE region is the unplanned flows. These flows hamper the integration of an Internal Electricity Market and are a threat to the electricity network security in several Member States.

The Agency and NRAs from all regions agree to focus on several types of remedies to deal with unplanned flows. These can be ordered into short-term and mid- to long-term solutions. The short-term solutions include (enhanced) coordination among TSOs, optimal use of remedial actions, and appropriate flow-based congestion management. The mid- to long-term remedies include placing phase-shifting transformers, network reinforcement investments, the introduction of appropriate bidding zones, and a possible review of the ITC mechanism. To this end, a scheme for sharing the cost of investments and coordinated management of phase-shifting transformers should be analysed.

Moreover, the Agency and NRAs support the proposal of ENTSO-E to launch a pilot project/study based on the process of reviewing the bidding zones as defined in the Capacity Allocation and Congestion Management Network Code, as soon as possible, and also to define the appropriate geographical scope for such a study, which should include at least CWE, CEE, Switzerland, and Italy.

Another element ACER fights against is the temptation for one particular stakeholder to behave like a free-rider. Since the implementation of the Target Model is realised in a parallel, informal, and voluntary-based framework (at least as long as the network Code on Capacity Allocation and Congestion Management are not binding), some stakeholders may try to impose their conditions and delay the whole process. This kind of problem emerges whenever a consensus is needed and a great number of stakeholders are involved. With the help of all NRAs and stakeholders, the Agency closely monitors and publicly reports on a quarterly basis any progress toward the milestones.

To read the full interview with Mr. Christophe Cesson please visit the web page: www.energetika.net.

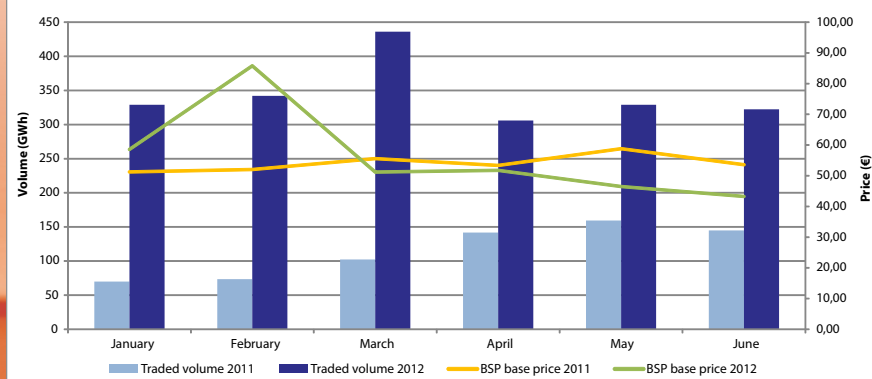
In the first half of the year 2012 total traded volume increased for 300%

In the year 2012 BSP SouthPool recorded increase of trading volume at Slovenian Day-ahead market. In the first half of the year 2012 total traded volume was 3 times higher as previous year. The volume in the period from January to June was 2.064 TWh, which represents 33,5 % of Slovenian consumption. The highest monthly volume of 436.035,672 MWh took place in March. The price at BSP SouthPool was slightly lower in the first half of the year 2012 than in the first half of the year 2011. February 2012 was exemption, since prices have risen significantly due to historically low hydrology (thus lower hydro generation) and larger consumption deriving from extreme cold. In Q1 and Q2 25 BSP members participated at hourly auction on Slovenian Day-ahead market on daily basis.

Trainings Course

On the 20th of September BSP organized Exchange Trader Training Course. At training participants from Vatenfall and Interenergo were present. Participants upgraded their expertise on BSP rules, trading platforms, clearing procedures, scheduling procedures, basis of market coupling on Slovenian-Italian border etc.

Comparison between price and volume in the first half of year 2011 and 2012



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