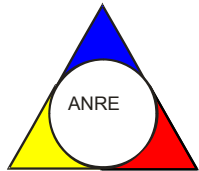
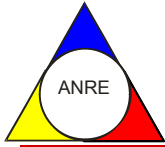


ROMANIAN ENERGY REGULATORY AUTHORITY



Regulation of operation and organization of the electricity day-ahead market with the price market coupling mechanism





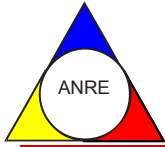
Regulation of operation and organization of the electricity day-ahead market with the price market coupling mechanism

Taking into consideration:

- the requirement of creating a single European electricity market (*DIRECTIVE 2009/72/EC concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC*)
- Facilitating cross-border trade growth (*REGULATION (EC) No 714/2009 of the European Parliament and of the Council on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003*)
- The level of development reached by our electricity market



Romania joins the market coupling project implemented by Czech Republic, Hungary and Slovakia.



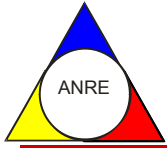
Regulation of operation and organization of the electricity day-ahead market with the price market coupling mechanism

Evolution of the project:

- Sending a letter of intent – December 2011
- Working group (Ministry of Economy, ANRE, Opcom SA and Transelectrica SA)
- The project has evolved into meaning its compatibility with the model adopted in the North-West European region

The project materialized, as national legislation in:

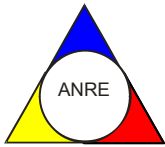
“Regulation of operation and organization of the electricity day-ahead market with the price market coupling mechanism”, approved by ANRE Order no. 82/2014



Regulation of operation and organization of the electricity day-ahead market with the price market coupling mechanism

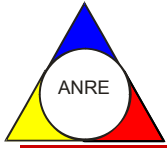
News brought by the new regulation :

- Negative prices – meaning providing a service;
 - Change of the price scale (-500/+3000 E/MWh) – harmonized with other similar projects;
 - Adaptation to new conditions, the rule of matching offer price on the BM with closing price of DAM;
 - Introduction of block offers – multiple time frames interdependent offers with implementation on all time frames or none at all;
 - implicit allocation of available transmission capacity and allocated capacity payment mechanism in case of congestion;
 - use Central European Time (CET) - delayed by one hour to local time.
-



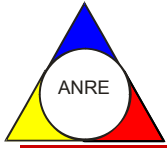
Regulation of operation and organization of the electricity day-ahead market with the price market coupling mechanism

- The TSO role as shipper - liaise transactions with transferred across border electricity (import or export) between OPCOM SA and the shipper of the neighboring bidding zone;
 - TSO – implicit participant on the DAM (in order to comply with the role of shipper);
 - Threshold prices (minimum –150 Euro/MWh and maximum +500 Euro/MWh) – area established by the power exchanges, overcoming this triggers a secondary auction in order to alert participants about a severe market situation and give them the opportunity to participate in its relaxation by adjusting bids - only in this sense;
 - Total decoupling – in case coupling results cannot be determined and validated: results are determined for each independently operating area;
-



Regulation of operation and organization of the electricity day-ahead market with the price market coupling mechanism

- participants considering cross border transactions must register as participants and bid for the explicit day ahead capacity allocation auction, named shadow-auction;
 - results of this auction become applicable only when decoupling solution is applied (named *fallback solution*).
 - change of information between the entities involved in the process, disclosure and timing of all these operations are subject to complex procedures;
 - detail elements will be subject to procedures developed by involved power exchanges and TSOs.
-



Regulation of operation and organization of the electricity day-ahead market with the price market coupling mechanism

Thank you!
