

A background image showing a series of high-voltage power transmission towers and power lines stretching across a landscape under a warm, orange-hued sky, likely at sunset or sunrise.

# **Legal framework governing electricity market integration of the Contracting Parties and the EU Member States**

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# Electricity acquis in the Energy Community

2021

**Decision 2021/13/MC-EnC**

Directive (EU) 2019/944  
(Electricity Directive)

Regulation (EU) 2019/941  
(Risk Preparedness)

2022

**Decision 2022/03/MC-EnC**

**Procedural Act 2022/01/MC-EnC on Regional Market Integration**

Regulation (EU) 2019/942 (ACER Regulation)

Regulation (EU) 2019/943 (Electricity Regulation)

Regulation (EU) 2015/1222 (CACM)

Regulation (EU) 2016/1719 (FCA)

Regulation (EU) 2017/2195 (EB GL)

Regulation (EU) 2017/1485 (SO GL)

Regulation (EU) 2017/2196 (ER NC)

**Electricity acquis - new legal framework**

## The new electricity market integration package – main elements

Barriers for full market integration of the Contracting Parties into the EU internal electricity market were removed

- ❑ **Reciprocity** between the Contracting Parties and EU Member States (defined in Article 27 of the Energy Community Treaty)
- ❑ **Decisions on cross-border issues:**
  - **ECRB** - between Contracting Parties only
  - **ACER** - between Contracting Parties and Member States
- ❑ The electricity market integration package is **binding** on Contracting Parties and neighbouring EU Member States
- ❑ Deadline for **transposition** of the new package: 31 December 2023
- ❑ **Implementation** in parallel (some deadlines are due even before 31 December 2023)



Roadmaps with deadlines

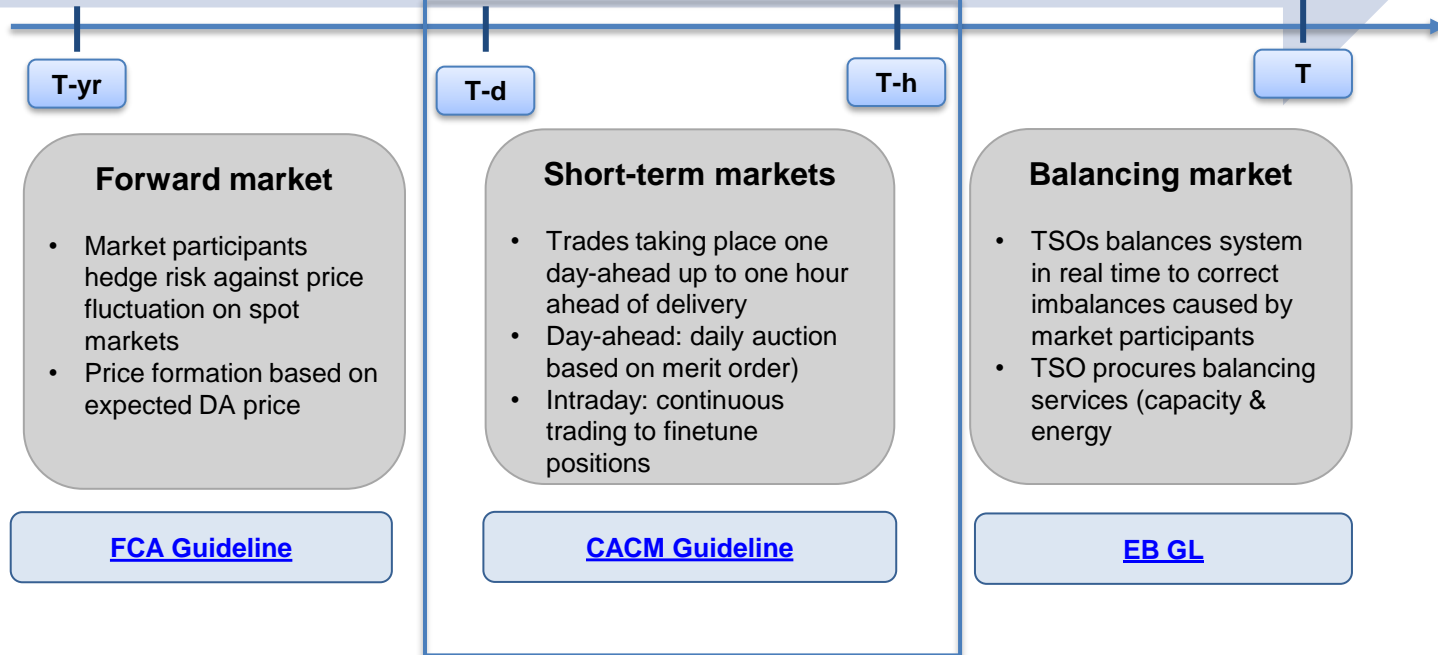
# Electricity markets

Forward market

Day Ahead market

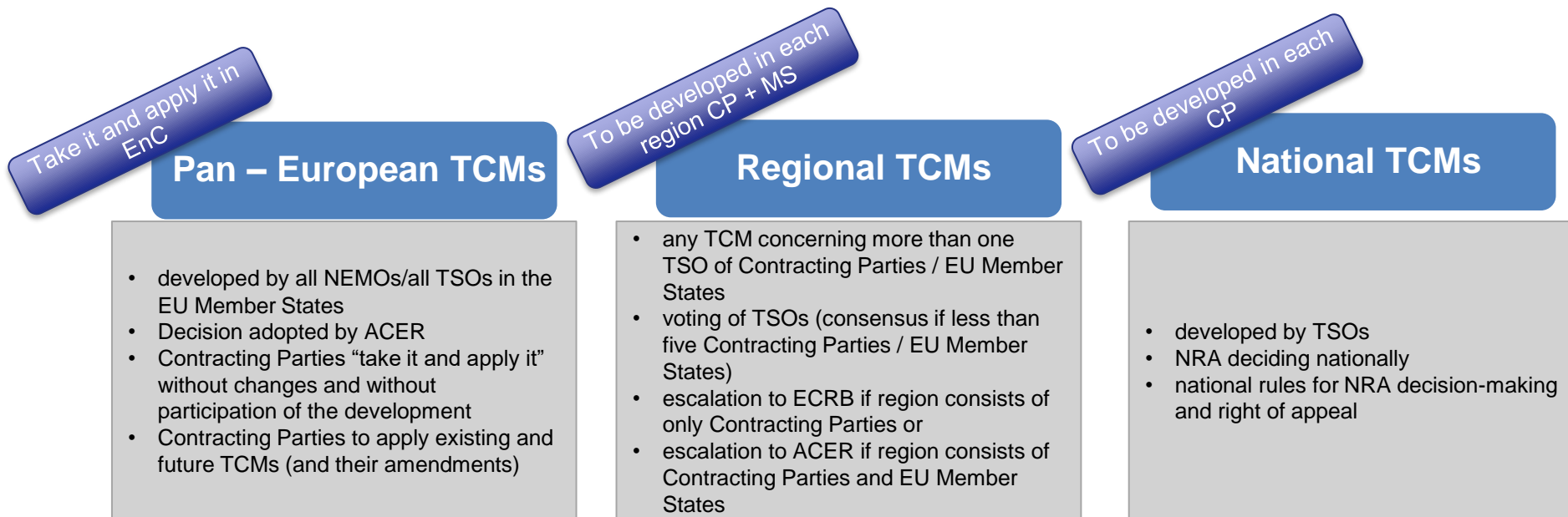
Intraday market

Balancing market



## Terms and conditions or methodologies

- ❑ Network Codes and Guidelines include general provisions as well as terms, conditions and methodologies (TCMs) to be developed by TSOs/NEMOs
- ❑ Proposed by TSOs/ NEMOs and approved by NRAs/ECRB/ACER



## Pan-European TCMs

- ❑ ACER regularly adopts decisions on pan-EU TCMs and their amendments with different implementation deadlines [Developments and approval of TCMs - ACER](#)

5th December 2023

ACER to decide on the changes to the Core and Italy North electricity capacity calculation regions

TSOs submitted to ACER their proposal for amending the two European Capacity Calculation Regions (CCR). ACER shall decide on this matter by early March 2024.

30th November 2023

ACER to decide on amending the electricity price coupling algorithm methodology

ACER will decide on amending the electricity price coupling algorithm methodology and will be conducting a workshop and public consultation to inform its decision

- ❑ The energy sector stakeholders shall:
  - ❑ take into account the opinions and recommendations addressed to them by ACER;
  - ❑ comply with individual **decisions addressed to them** and **decisions binding on them** adopted by ACER. The NRA shall ensure compliance with individual decisions of ACER.
- ❑ National legislation has to stipulate that pan-EU TCMs are applied/implemented in accordance with deadlines at the same time as for the EU Member States

## EU electricity target model implementation

### Benefits from market coupling:

- Electricity flows in the right direction
- Optimal utilization
- Better liquidity
- Lower volatility
- Price signals
- Large number of market participants
- Increased competition

Challenge: Available cross-zonal capacity below the max. capacity that could be made available to market participants preserving operational security.

Cross-border trade delivered **34 billion EUR of benefits** in 2021 while helping to smoothen price volatility (ACER, April 2022)

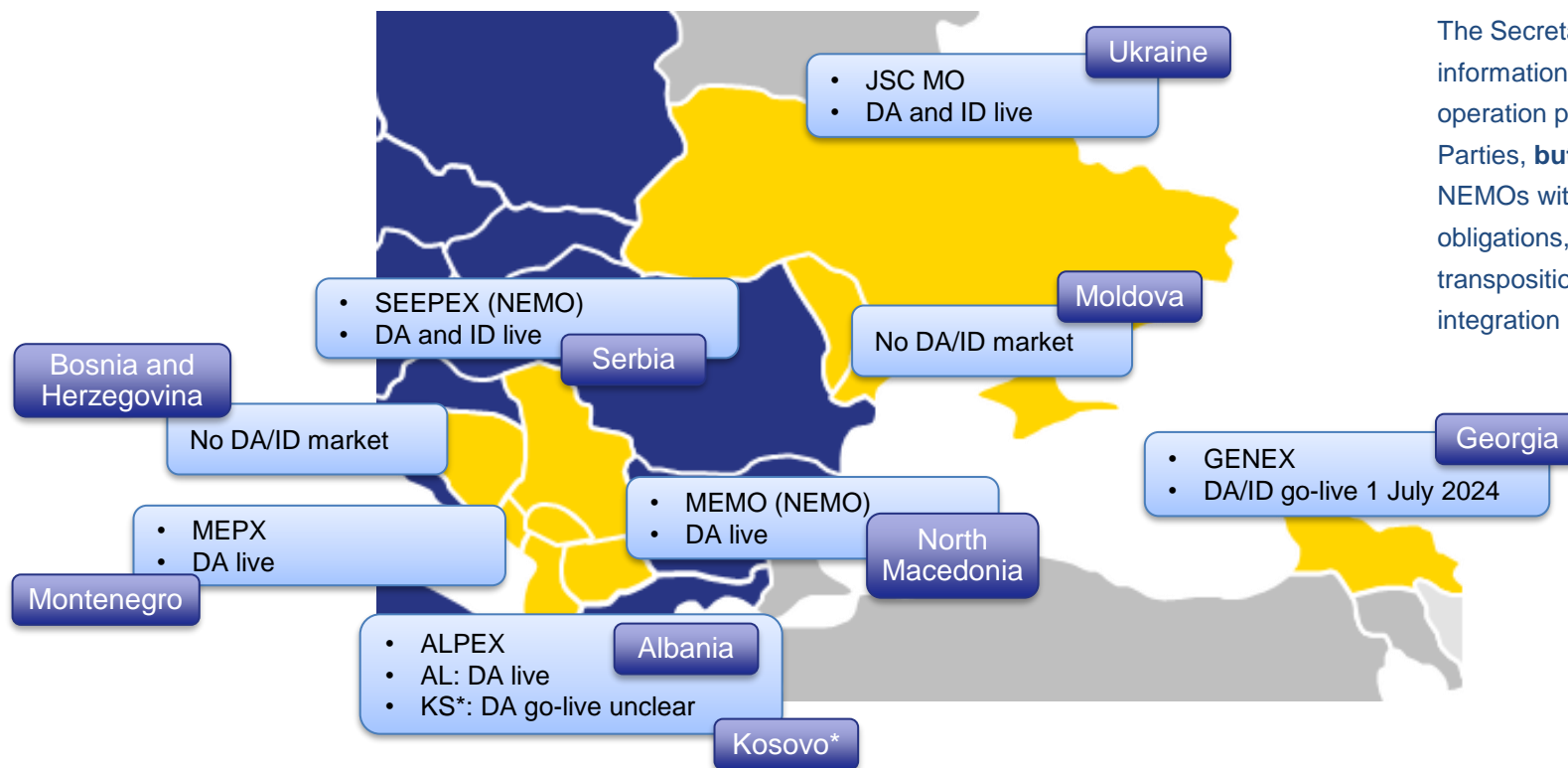
Single Day Ahead  
Market Coupling  
(SDAC)

SDAC/SIDC implicitly allocate  
cross-zonal capacities through  
common algorithms to maximize  
social welfare



Source: ENTSO-E

## Day Ahead and Intraday markets - status-quo in Contracting Parties



The Secretariat publishes a [list](#) with information on NEMO status and DAM operation provided by Contracting Parties, **but** those are not accepted as NEMOs without having all rights and obligations, i.e. without complete transposition of the electricity market integration package

<sup>1</sup> SEEPEX and MEMO were designated as NEMOs prior to the MC Decision





## **Rozeta Karova**

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Certified Negotiator Facilitator, PRINCE2 Certified Project Manager with deep knowledge and plenty of publications on approximation and implementation of energy and climate acquis in the Western Balkans and the Eastern Partnership Countries.

She holds LL.M in European Business Law from Leiden University and a Ph.D in law from the European University Institute in Florence.