

SOUTH-EAST EUROPE ENERGY COMMUNITY TSOs’ JOINT DECLARATION ON REGIONAL COORDINATION

Introduction

Over the last two years the following Transmission System Operators from the West Balkan Energy Community Treaty Contracting Parties – EMS, CGES, MEPSO, OST, KOSTT and NOSBiH (hereinafter “**WB6 EnC TSOs**”) – have been working within ENTSO-E with their EU neighbours on the strengthening of the regional cooperation in South-East Europe.

The WB6 EnC TSOs agree that a new framework for cooperation among themselves and with all their neighbours is now urgently needed. Following an intense round of bilateral and multilateral discussions facilitated by ENTSO-E, the WB6 EnC TSOs propose a comprehensive framework for their cooperation in the years to come, as the best possible solution that takes into account the needs and realities of all TSOs involved, both from the EnC and the EU. They all believe that the proposed solution will strengthen the security of electricity supply and market integration in accordance with the EU and the EnC legislation. This solution will address the Capacity Calculation Region (CCR) configuration and governance, as well as participation in the existing System Operation Regions (SORs), served by the competent Regional Coordination Centres (RCCs).

Therefore, the WB6 EnC TSOs – considering the goal of regional and pan-European coordination as enshrined in the EU and the EnC legislation and the ENTSO-E Articles of Association – hereby present this Joint Declaration on Regional Coordination in South-East Europe.

Joint Declaration

In consideration of the foregoing, the EnC TSOs jointly declare that they shall adhere to the following:

1. The WB6 EnC TSOs propose reconfiguration of the default Shadow SEE CCR¹ that would attribute the bidding zone borders of EMS, CGES, and NOSBiH to Core / Central Europe (CE) CCR and the bidding zone borders of OST, KOSTT, and MEPSO to EU South-East Europe (SEE)

¹ Defined in Article 15(1) and Annex I, Article 2 to Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management, as incorporated and adapted into the EnC legal framework by Ministerial Council Decision 2022/03/MC-EnC.

CCR (hereinafter “**Alternative Configuration**”). The detailed proposed attribution of the bidding zone borders of the involved EU and EnC TSOs in line with the proposed draft Alternative Configuration is described in Annex I. The eventual all TSOs proposal to ACER on the Alternative Configuration will follow the procedure prescribed by the EU and the EnC legislation;

2. The WB6 EnC TSOs hereby express their willingness to work on the formal finalisation of the proposal for the Alternative Configuration outlined in this Joint Declaration in cooperation with all EU TSOs, with the aim to have it presented to ACER for final approval as soon as reasonably possible. The European Commission and the Energy Community Secretariat will be updated of the Alternative Configuration as well;
3. The Alternative Configuration will be reflected in a proposal to adjust the configurations of the Central Europe SOR and the SEE SOR accordingly, in order to ensure that the security coordination of these borders is properly attributed. The detailed proposed attributions of the bidding zone and CCR borders of the involved EU and EnC TSOs as a consequence of the proposed draft Alternative Configuration is described in Annex II. The eventual ENTSO-E proposal to ACER on the alternative SOR configuration will follow the procedure prescribed by the EU and the EnC legislation;
4. The WB6 EnC TSOs acknowledge that tasks of regional coordination for the relevant bidding zone borders would be taken over by the RCCs in charge of respectively the EU Central Europe SOR and the EU SEE SOR;
5. The WB6 EnC TSOs acknowledge that the technical readiness of the market and grid operators needs to be sufficiently mature. Therefore, where necessary, the application of the full Terms, Conditions and Methodologies related to the technical inclusion of the WB EnC TSOs in the existing EU CCRs and SORs shall be designed in a stepwise manner that does not impact the ongoing implementation processes of the EU TSOs and does not hamper the compliance with EU law obligations. Implementation activities contributing to security of supply and allowing market coupling of WB6 EnC TSOs will have priority;
6. The WB6 EnC TSOs further confirm their commitment to full implementation of the Alternative Configuration that will allow effective security coordination, capacity allocation and congestion management and congestion revenue sharing in the entire South-East Europe region, including the bidding zone border between EMS and KOSTT;
7. The WB6 EnC TSOs shall invest good faith efforts to regulate in a timely manner all outstanding matters necessary for operationalisation of the Alternative Configuration by amending existing or entering into new legal arrangements between concerned TSOs on bilateral or multilateral basis, as applicable;

8. In the context of and following the operationalisation of the Alternative Configuration in line with this Joint Declaration, the WB6 EnC TSOs further confirm that no EnC TSO will block signature of necessary arrangements on European, ENTSO-E, or regional level. The WB6 EnC TSOs will ensure that adequate resources are made available for uninterrupted functioning of the CCRs and SORs they are part of, as well as constructive operational cooperation in good faith with bordering CCRs and SORs;
9. The WB6 EnC TSOs invite all the interconnected EU TSOs, with the help of their common Association ENTSO-E, as well as all interested stakeholders, to support the initiative outlined in this Joint Declaration; and
10. The WB6 EnC TSOs invite all the relevant legislative and national regulatory authorities to support the initiative outlined in this Joint Declaration.

The signatories and supporting TSOs believe in the common values of European electricity integration embodied by the cooperation of TSOs, and are confident that this solution provides a realistic and shared path for the future of the South-East Europe region within the whole European power system.

Following this Joint Declaration, the WB6 EnC TSOs will initiate formal steps to implement the different components of the proposed solution, starting with the processes for inclusion in the Core / Central Europe and South-East Europe CCRs.

Any WB6 EnC TSO can withdraw from or join this Joint Declaration through submitting a signed unilateral adherence.

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ANNEX I

DRAFT PROPOSAL FOR BIDDING ZONE BORDER ATTRIBUTION FOR THE ALTERNATIVE CCR CONFIGURATION

The following bidding zone borders will be included in Core / CE CCR by amending its definition:

- Croatian Transmission System Operator Plc. (HOPS) and Nezavisni operator sistema u Bosni i Hercegovini (NOSBiH);
- Croatian Transmission System Operator Plc. (HOPS) and Elektromreža Srbije AD (EMS);
- Hungarian Independent Transmission Operator Company Ltd (MAVIR) and Elektromreža Srbije AD (EMS);
- Compania Națională de Transport al Energiei Electrice "Transelectrica" S.A. and Elektromreža Srbije AD (EMS);
- Nezavisni operator sistema u Bosni i Hercegovini (NOSBiH) and Elektromreža Srbije AD (EMS);
- Crnogorski elektroprenosni sistem AD (CGES) and Nezavisni operator sistema u Bosni i Hercegovini (NOSBiH); and
- Crnogorski elektroprenosni sistem AD (CGES) and Elektromreža Srbije AD (EMS).

All the remaining bidding zone borders in South-East Europe between control areas would be attached to the SEE CCR by amending its definition:

- Crnogorski elektroprenosni sistem AD (CGES) and Operatori i Sistemit të Transmetimit sh.a. (OST);
- Elektromreža Srbije AD (EMS) and Electricity Transmission System Operator of the Republic of North Macedonia, a Joint Stock Company for electricity transmission and power system control, in state ownership, Skopje (MEPSO);
- Crnogorski elektroprenosni sistem AD (CGES) and Operator sistemi, transmisioni dhe tregu Sh.A. (KOSTT);
- Operatori i Sistemit të Transmetimit sh.a. (OST) and Operator sistemi, transmisioni dhe tregu Sh.A. (KOSTT);
- Electricity Transmission System Operator of the Republic of North Macedonia, a Joint Stock Company for electricity transmission and power system control, in state ownership, Skopje (MEPSO) and Operator sistemi, transmisioni dhe tregu Sh.A. (KOSTT);
- Elektromreža Srbije AD (EMS) and Operator sistemi, transmisioni dhe tregu Sh.A. (KOSTT);
- Elektroenergien Systemen Operator EAD (ESO) and Elektromreža Srbije AD (EMS);
- Elektroenergien Systemen Operator EAD (ESO) and Electricity Transmission System Operator of the Republic of North Macedonia, a Joint Stock Company for electricity transmission and power system control, in state ownership, Skopje (MEPSO);
- Independent Power Transmission Operator S.A. (IPTO) and Electricity Transmission System Operator of the Republic of North Macedonia, a Joint Stock Company for electricity transmission and power system control, in state ownership, Skopje (MEPSO); and

- Independent Power Transmission Operator S.A. (IPTO) and Operatori i Sistemit të Transmetimit sh.a. (OST).

ANNEX II

DRAFT PROPOSAL FOR BIDDING ZONE AND CCR BORDER ATTRIBUTION FOR THE ALTERNATIVE SOR CONFIGURATION

As a consequence of the proposed Alternative Configuration, the SOR Decision will have to be amended at least as described in this Annex.

The bidding zones covered by the following TSOs will be included in the Central Europe SOR:

- CGES;
- EMS; and
- NOS BiH,

together with the bidding zone borders of the amended Core / CE CCR.

The bidding zones covered by the following TSOs will be included in the SEE SOR:

- KOSTT;
- MEPSO; and
- OST,

together with the bidding zone borders of the amended SEE CCR and ITME CCR.

The list of current bidding zone borders adjacent to the SEE SOR and the Central Europe SOR shall be extended with the bidding zone borders:

- EMS-ESO;
- EMS-MEPSO;
- EMS-KOSTT;
- CGES-KOSTT; and
- CGES-OST.