

The trading on the day-ahead segment of the Montenegrin Energy Exchange (MEPX) should start by the end of the year, said spokesperson for Berza Elektricne Energije (BELEN), a Montenegrin company in charge of the future energy exchange, Dragana Radulovic.

Radulovic said that negotiations with Nord Pool are being successfully completed, so it is expected that all the necessary strategic partnership agreements with that Norwegian company will be signed during the second quarter of 2020. The cooperation, she explained, includes support for establishing the processes and procedures needed for the functioning of the national day-ahead market in Montenegro, connecting the market with neighboring countries and clearing and financial settlement processes. The start of the operational work of the exchange will be preceded by a trial period.

She said that, taking into account the comparative practice from the region, primarily the examples of the Croatian energy exchange (CROPEX) and the Serbian energy exchange (SEPEX), it is justified to expect a high degree of interest from traders.

There is interest in participating in the Montenegrin energy exchange, especially due to the fact that the submarine cable enabled the physical connection of Montenegrin market with the European market, adding that the interest is mostly from traders who are already present in the region. However, there is also the interest of traders who have never worked on this side of the Adriatic until now. According to her, the start of operational work will create essential conditions for a better and more competitive market in Montenegro. The submarine cable, from the perspective of the Montenegrin energy exchange, is not only a physical energy connection between Montenegro and Italy, but far more than that. The Italian market is connected to the internal European market, and this interconnection actually represents the merger of the Montenegrin market with the European one. This represents an increase of supply and demand and the entry of Montenegrin producers into a significantly larger market than the local one.

In July 2017, CEOs of Montenegrin power utility EPCG, electricity market operator COTEE and electricity transmission system operator CGES have signed the founding agreement and the statute of Berza Elektricne Energije (BELEN), the company that will operate the future Montenegrin electricity exchange (MEPX). Last March, BELEN selected Nord Pool as strategic partner for the establishment of day-ahead market. The cooperation will include support to establish processes and procedures required to operate a national day-ahead market in Montenegro, market coupling with neighboring countries and day-ahead clearing and settlement processes. The two parties also intend to extend the cooperation to include Nord Pool becoming a shareholder of BELEN. BELEN and Nord Pool have committed themselves to the development of a transparent and efficient power market, enabling Montenegro to couple with neighboring countries according to the European Internal Energy Market (IEM) standards.

In November 2019, Italian electricity transmission system operator Terna has successfully

commissioned the underwater cable connecting Italy and Montenegro, namely electricity interconnection between the two countries. Terna said that this interconnection will allow bi-directional flow of electricity between Italy and Montenegro with initial capacity of 600 MW, which should be doubled to 1,200 MW after the second cable is laid in a few years.