

The leading European electricity exchange operator Nord Pool Spot signed a cooperation agreement with the Bulgarian exchange IBEX, with the aim of preparing and facilitating the implementation of the first Bulgarian day-ahead electricity market, which will be expanded by a within-day market in a later phase, the officials of Nord Pool Spot have announced. In the announcement, they add that IBEX is dedicated to the development of a transparent and efficient electricity market, which enables a timely and reliable implementation of the EU Target model. The Bulgarian day-ahead market should start operating by the end of 2015. The Director of IBEX, Konstantin Konstantinov, said that the members of IBEX team had been working on the achievement of this strategic partnership for almost one year. There are five national power exchanges operating in the Southeast Europe - in Hungary, Romania, Bulgaria, Slovenia and Greece, whereas Croatia has established an exchange that is still inactive. The Serbian exchange should start operating by the end of the third quarter of 2015.

One of the first electricity exchanges within the region is OPCOM, seated in Bucharest. Until the accession of Romania to the EU, the exchange had not been recording a significant trading volume but, in the recent years, traders' interest in the transactions on this exchange has been significantly higher, which is the consequence of a pronounced deficit in the neighbouring countries.

The turning point in the growth of OPCOM was the adoption of the decision that all electricity producers in the country are obliged to place a part of their production on the market via the exchange. In this way, market growth was stimulated and the achievement of higher revenue has been enabled to the producers. OPCOM also has an exchange for bilateral agreements and a green certificates market intended for the producers of electricity from renewable resources.

The plans to raise OPCOM to the level of a regional exchange suffered a blow when the Slovenian electricity exchange was established, considering that none of the former Yugoslav countries had its own exchange at that moment.

The Slovenian exchange BSP South Pool was founded with the ambitions to attract the traders from the Romanian, Albanian and Bulgarian market. According to analysts, the Balkans is a good region for electricity export because the demand is constantly growing, particularly in the industrial sector. Borzen, Alpiq, Edison Trading, Enel Trading, GEN-i, HEP and Vattenfall Energy Trading are among the most active traders on the Slovenian exchange.

The first Serbian day-ahead electricity market is expected to be established in the third quarter of the year. In Serbia, an organized SPOT market should be organized in accordance with the cooperation agreement, signed between the PE Power Grids of Serbia (EMS) and the company EPEX SPOT last year. The agreement is aimed at establishing a company called SEEPEX in which the ownership shares of the EMS and the EPEX SPOT will

be 75:25 percent. The goal of this partnership is to establish an organized electricity market in Serbia and to later integrate it into the single European market. SEEPEX is a strong signal for establishing a regional market as the first phase of this integration.

SPOT market also includes providing a platform for a regional day-ahead market. Electricity suppliers, in addition to producers, will be registered traders. Daily auctions will be organized through the EPEX Trading system, which has been introduced into the EPEX SPOT on the markets in France, Germany, Austria and Switzerland, as well as on the Hungarian market, managed by EPEX on behalf of HUPX.

The idea is to create an exchange which would outgrow the national boundaries and through which a large number of transactions with the electricity from the neighbouring countries would be organized. The company EPEX SPOT has been chosen as a larger and more recognized partner, enjoying the trust of traders.

The development of electricity exchanges within the region is not progressing at an even pace. The Romanian exchange OPCOM has been recording great success whereas other exchanges are yet to achieve the plans on integrating the fragmented market and attracting more partners. In the Southeast Europe, individual markets are small and their coming together is necessary so as to create a solvent platform. In certain countries of the region, it is necessary to create the conditions for the security of investments and a stable political environment.