

PRESS RELEASE

One step closer to reaching the full scope of SEE CAO

Podgorica, 18th September 2015- With integration of Greece-Turkey border into coordinated auction process in South East Europe during September 2015, SEE CAO is one step closer to reaching its full scope – performing a coordinated auctions on all borders between the Participating SEE TSOs.

Coordinated Auction Office in South East Europe, with its registered office in Podgorica, Montenegro, established by 7 SEE Transmission system Operators: Croatia - HOPS, Bosnia nad Hercegovina- NOSBiH, Montenegro - CGES, Albania - OST, Kosovo - KOSST, Greece - IPTO and Turkey - TEIAS, became operational in November 2014 by successful performance of first joint auctions in SEE on borders between Croatia – BiH and BiH – Montenegro. Auction process started with Yearly Auctions for 2015, followed by Monthly and Daily Auctions completely following the regulation (EC) No 714/2009 concerning the cross-border exchanges in electricity: setting of harmonised principles on cross-border transmission charges and the allocation of available capacities of interconnections between national transmission systems.

After settling all necessary legal preconditions, Albanian OST declared its readiness to join the auction process, which resulted in successfully introduction of joint auctions on border Montenegro – Albania during the April 2015. Moreover, during August 2015, Greece's IPTO and Turkey's TEIAS announced that there are no more obstacles in integrating their border in SEE CAO Auction Process in September 2015. Therefore, the first joint Monthly Auction on Greece-Turkey border was successfully conducted on 17th September by SEE CAO, and shall be followed by first Daily Auction on 30th September 2015 for delivery Day 01st October 2015. Introduction of daily auctions on GR-TR border represent the biggest step forward in SEE electricity market, since this process will be performed for the first time and the new product within electricity market will be launched. The excitement of the Auction Participants and enthusiasm of SEE CAO are more than obvious.

Contentment of more than 90 registered Auction Participants is manifested with a great cooperation and SEE CAO's professional approach, and also as a result of all auctions carried out without a hitch, meaning that no contestations or cancellation have occurred in organisation of coordinated auction by SEE CAO.

Hence, future expansion of SEE CAO is inevitable, since it is already confirmed that the border between Greece and Albania will be introduced from the Yearly Auctions 2016 (scheduled for November 23rd 2015), while the recognition of KOSTT as a Control Area is in final phase and the affiliation of Serbian EMS is in process of negotiations.

Final announcement for Yearly Auctions and the borders included is to be published by SEE CAO in the next month, with full scope of operation finally achieved.