

Coordinated Auction Office in South East Europe  
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SEE CAO started its journey towards fully operational regional allocation office in June 2012, when ten SEE TSOs established a Limited Liability Project Team Company in charge of establishing a Coordinated Auction Office in South East Europe (hereinafter: PTC). TSOs from Albania, Bosnia and Herzegovina, Croatia, Greece, Kosovo, FYR Macedonia, Montenegro, Romania, Slovenia and Turkey participated equally in shareholding structure with one representative in Board of Directors of the PTC. The objective of the PTC was to create all technical, legal and financial preconditions for successful launch of SEE CAO, which was recognised by International Financial Institutions, who have provided significant support in terms of consultancy services and most importantly, procurement and grant for the IT platform necessary for capacity allocation.

Following successful and dedicated work of the PTC, seven out of ten shareholders signed the Agreement on Setting Up of SEE CAO, on the Board of Directors' meeting, held in Izmir in March 2014. Seven signatories were as follows:

1. Turkiye Elektrik Iletim A.S., Turkey
2. Independent Power Transmission Operator, Greece
3. Hrvatski Operator Prijenosnog Sustava d.o.o. Croatia
4. Crnogorski Elektroprenosni Sistem AD, Montenegro
5. Nezavisni Operator Sistema u BiH, Bosnia and Herzegovina
6. Operatori i Sistemit te Transmetimit, Albania
7. Operator Sistemi, Transmisioni dhe Tregu KOSTT, Kosovo

Based on the Agreement, the Board of Directors adopted the Decision on changing the Company's name into Coordinated Auction Office in South East Europe LLC (SEE CAO). The entity registered as a Coordinated Auction Office in South East Europe d.o.o. Podgorica as of 1 April 2014 is considered a legal successor of the PTC, with the objective to perform the explicit allocation of cross-border transmission capacity in both directions between Control Areas of the Participating TSO's, through NTC based Auction Processes in accordance with the requirements of Regulation (EC) 714/2009 of the European Parliament and of the Council on conditions for access to the network for cross border exchanges in electricity which also became a part of Energy Community acquis in line with the stipulations of Energy Community Treaty.

The PTC/SEE CAO team, consisted of international experts from shareholding TSOs, managed to fulfil and implement the framework needed for launching coordinated auctions in less than two years (Dec 2012 – Nov 2014). During this period, numerous workshops with TSOs were organised, in order completely harmonise a set of Auction Rules and internal procedures between SEE CAO and all shareholding TSOs. The project of implementation of the IT Auction Platform (DAMAS), together with simulation and testing of compatibility with TSOs system, was conducted in coordination with the DAMAS Provider, Unicorn systems a.s. Lastly, the workshop with traders was organised in the final stage on 1 October 2014, prior to the first auctions.

- SEE CAO's Go Live took place on 27 November 2014 by launching the first yearly auctions for 2015 on borders BA-HR and BA-ME.
- On 15 December 2014, first monthly auctions were conducted, and followed by daily auctions as of 31 December 2014 for borders BA-HR and BA-ME.
- In April 2015, first monthly auctions for ME-AL border (May 2015) were implemented. Accordingly, daily auctions for that border started on 30 April.
- The last border integrated in 2015 is GR-TR, with monthly auctions launched on 15 September for October 2015, after which the daily auctions took place on 30 September.
- Border GR-AL has joined in SEE CAO with yearly auctions 2016, and the remaining borders are expected to be introduced during 2016.

The pertinence of SEE CAO, particularly for regional electricity market in SEE, is reflected in introduction of new products by upgrading previous unilateral auctions performed by each TSO on 50% of NTC following their national Auction Rules or bilateral auctions performed by two neighbouring TSO on 100% of NTC following bilateral Auction Rules to regionally coordinated auctions performed by SEE CAO, having in force one single set of the Auction Rules and the possibility for the traders to allocate cross-border capacity from Croatia to Turkey by using SEE CAO as one-stop-shop.

SEE CAO, with Executive Director, Mr Aleksandar Mijušković, employs four Auction Operators, who are also electrical engineers, and two internal experts - IT and legal one. Besides the internal staff, the company outsources additional financial, computing and energy consultants.

Taking into account SEE CAO operational period, where all yearly, monthly and daily auctions were successfully conducted, with no contestation from the traders received and neither one auction cancelled, and having in mind positive feedback received from 100 registered traders, SEE CAO has proven its pivotal role for open and competitive South East European electricity market. Nevertheless, in order to complete the regional perimeter, SEE CAO and its shareholders are open and ready to include the remaining SEE TSOs, as well as their borders, into SEE CAO Auction Process.