



# REVIEW OF THE REGIONAL MARKET RULES

## Final Observations

ERERA



- Consultations on the draft of the RMR
- Overview of the Final draft of the RMR
- Specific considerations
- Feedback for moving forward



## Consultations

The Regional Market Rules have been subject to several consultations that can be summarized as follows:

Feb.- March 2013	Call for written comments on the RMR from members of ERERA Consultative committees, no later than March 15, 2013
11,12 May 2013	Harmonization and adoption of the observations of the Consultative Committee of Regulators and the Consultative Committee of operators at Lome, Togo
May – Nov. 2013	Analysis and validation of stakeholders' inputs
1 Nov. 2013	Request of final observations of of the WAPP on the version of the RMR to be submitted to the approval of the ERERA Regulatory Council
19 Nov.2013	Presentation of the draft of the RMR at the 4th Consultative Committee meeting for Regulators and Operators in Banjul,The Gambia
September 2014	Final draft of the Regional Market Rules



## Overview of the final draft of the Regional Market Rules (RMR)

### **Role of the RMR**

---

The Regional Market Rules govern the commercial trading of all electricity that flows across international borders between participating countries through transmission lines of the West Africa Power Pool (WAPP) Interconnected Transmission System..

### **Content : 43 Articles organised in 7 Chapters**

---

Compare to the original version submitted by WAPP before EREDA the draft of the **Regional Market Rules** have the following characteristic:

- 7 Chapters against 9 Chapters in the original version
- 43 Articles against 72 Articles in the original version
- 0 (2) Appendices against 9 Appendices in the original version

The basic amendment of the original version is the removal of the Chapter related to the second phase of the regional market and the simplification of the Governance of the market during this start-up phase.



## Overview of the final draft of the Regional Market Rules (RMR)

### ***Justification of amendments***

---

1. The uncertainty on the implementation schedule of the 1st phase of the market (start-up phase of the market) led the meeting of Consultative Committees to propose the cancellation of the rules related to the second phase, at this point. Stakeholders agreed to appreciate the details and requirements of the second phase of the market based on the duration of establishment and the performance of the first phase of the market.
2. The principal characteristic of the first phase of the market is that all transactions in the regional market among market participants will be carried out through bilateral contracts. Therefore, the proposed committees and Stakeholder Advisory Group are not economically and technically justified. ERERA Consultative Committees can validly assume any consultations during this phase.
3. Given the size and content of the two annexes adopted, it is more appropriate to incorporate them into the main document respectively in Article 12 and article 13 of the RMR



# Overview of the final draft of the Regional Market Rules (RMR)

## Presentation of the RMR

---

### ◆ CHAPTER I. INTRODUCTION AND OBJECTIVES

- Authority,
- Application
- Objectives of the RMR

### ◆ CHAPTER II. GENERAL CONDITIONS

- **Definitions** et interpretations
- Market and operating procedures and their development
- **Force Majeure**
- Market stages and conditions precedent for each market phases



# Overview of the final draft of the Regional Market Rules (RMR)

## Presentation of the RMR

---

### ◆ CHAPTER III. THE SMO

- Organisation,
- Functions
- Operation

### ◆ CHAPTER IV. THE CONTROL AREAS

- Responsibilities
- Obligations of information

### ◆ CHAPTER V. THE DOMESTIC TSOs

- Responsibilities of domestic's TSOs



## Presentation of the RMR

---

### ◆ CHAPTER VI. MARKET PHASE 1

- Participation and Admission of Market participant
- Conditions for Market Participation
- Transactions in the regional market during Market Phase 1
- Access to transmission capacity
- Payment for the transmission services
- Technical parameters
- Emergencies
- The role of the SMO during market phase 1
- The role of the control area during market phase 1
- The role of the domestic TSOs during market phase 1
- Commercial metering system
- Settlement of the regional transactions during market phase 1





## Presentation of the RMR

---

### ◆ CHAPITRE VIII. FINAL PROVISIONS

- Market Phase 2
- Dispute Resolution
- Amendments of the rules
- Enforcement and Compliance
- Record retention, disclosure, access and confidentiality
- Financial Audits

For the purpose of the discussion of the final draft, we should pay attention to the following provisions:

Article 11 : Force majeure

Article 28 : transactions in the regional market during Market Phase 1



## **Implication of the approval of the RMR for the Stakeholders of the sector**

---

1. The approval of the RMR is the beginning of the first Phase of the market

**Article 12 (Appendice A)** : «The Market Phase 1 extends from the moment when the RMR are approved to the moment declared by ERETA as end of Phase 1 and beginning of Phase 2. »

2. Requirement to appoint a national representative for the regional market

**Article 25**: « ...Within **3 months of the approval of these RMR**, the regulatory Authority in each country shall communicate to ERETA and SMO the institution representing the country's power sector in the regional market for the Market Phase 1 . »

3. Availability of procedures and application forms for admission to the market

**Article 26**: «The SMO shall develop a specific procedure including the requisite forms for applying for admission to the regional market. The procedure (and forms) shall be approved by ERETA.(...) Applicants for market participants shall be required to complete the approved form and follow the approved procedure. »

4. Availability of bilateral contracts templates

**Article 28.2 a** : « all transactions in the regional market among market participants will be carried out through bilateral contracts. ».



## Specific Considerations

### *Implication of the approval of the RMR for the Stakeholders of the sector*

---

#### 5. Development of contract approval procedures approved by ERETA

**Article 28.2 a** : «The SMO shall develop the procedure for approving contracts. This procedure shall be approved by ERETA and publicised. »

#### 6. Obligation to declare existing agreements

**Article 28.3 d** : « (...) Parties of pre - existing agreements have to present these agreements to the SMO within 3 months after the approval of the RMR to priority in the nodes for delivery . »

#### 7. Obligation to register pre-existing Power Purchase agreements (PPA)

**Article 28.3 e** : «Pre-existing PPAs must be registered with the SMO for analysis and approval no later than 3 months after approval of the RMR. »

#### 8. Availability of model contracts and approved transmission Pricing methodology

**Article 28.5 c** : « Any PPA agreed after the RMR approval shall be in the format of the model contract and shall use the Transmission Pricing Methodology valid for that Market Phase. ».



## Specific Considerations

### **Implication of the approval of the RMR for the Stakeholders of the sector**

9. Availability of the different templates for Bilateral agreements (BA)
 

**Article 28.6 c)** : « (...) ERETA will develop, approve and publicise 3 different templates for BAs: long term Bas (LTBA), medium term Bas (MTBA) and short term Bas (STBA) to be used for trading in the regional market. ».
10. Obligation to bill in accordance with the approved transmission pricing methodology
 

**Article 30.3** : «Payments will be settled bilaterally among the parties involved for existing contracts while transmission pricing of new contracts during Phase 1 will be in accordance with **the transmission pricing methodology approved by ERETA** »
11. Development of communication procedures
 

**Article 35.3** : «The timetable for the different communications required as well as the manner these communications have to be carried out will be established in a procedure developed by the SMO and approved by ERETA **within 6 months of the RMR approval.** »
12. Enforcement of a metering Code in WAPP Operational manual
 

**Article 36** : « The metering system installed at each node of the regional network shall be in compliance with the **Metering Code of the Operation Manual** ».



# Your Comments

## ***For the discussion***

---

- Your comments on articles 11 and 28
- Your recommendations related to specific considerations

## ***For going forward***

---

- Validation of the document ?
- Schedule for approval?





# THANKS



ECOWAS Regional Electricity Regulatory Authority  
PMB 76 Accra  
REPUBLIC OF GHANA

