

APEX Objective

To facilitate development and communication of ideas and practices in the operation of global competitive electricity markets.

One of its primary intentions is to provide a platform for the sharing of information between its members.



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➤ Linda.Spreeman@pjm.com

IN THE SPOTLIGHT

CCEE: The Brazilian Energy Market Operator

With a population of 207 million people and a territory as large as the European continent, Brazil's large dimensions and diversity create excellent opportunities that involve big challenges for planning, operating and trading electric energy. Ensuring supply reliability, security, quality of service and cost optimization are the main aspects that drive institutions and agents of the Brazilian market.

Present for 20 years in this complex and riveting electric sector framework, the Chamber of Commerce of Electric Energy - CCEE plays a fundamental role in operating and developing the electric energy industry in Brazil. As CCEE grows along the energy market, the company innovates and promotes the evolution of the sector. Always appreciating visibility and transparency, the institution organizes forums and promotes debates with agents and other institutions to discuss and consolidate proposals for modernizing the sector.

This avant-garde practice stimulates the development of improvements, with the broadening of the free market to allow consumers with smaller demands to choose their energy suppliers; the change in the spot price calculation (to be based on hours from 2020 on); and the separation between guarantee and energy (currently traded together in the Brazilian market) are a few of the several items that integrate the present process of sector modernization.

The chamber sustains an efficient structure of direct service to market agents and is consolidated as an entity that has become a benchmark in offering relevant information to all the society about the evolution of consumption and generation of electric energy throughout the whole interlinked National system. It is important to highlight that the electric sector governance establishes a structural division between the system operator (National Electric System Operator – ONS) and the market operator (CCEE). Thus, decisions around energy security for supplying energy to the population are made with no influence of the transactions carried out by these companies.

Created in 1999 with the task to trade energy, CCEE grows year after year and continuously adapts to the needs and demands of the market. With over 7 thousand agents, the institution managed over R\$ 43 bi (US\$11 bi) in financial settlements in 2017. Along the years, the company has also stimulated investment in the sector by carrying out 73 auctions for contracting business, which represent R\$ 1,7 trillion in financial contribution.

The energy market in Brazil is divided into two large segments: regulated and free markets. In the first, the distributors buy energy from generators in auctions, which is later delivered to the consumers, who are charged in fees regulated by the National Electric Energy Agency - Aneel. Currently, the regulated market represents 70% of the Brazilian consumption. On the other hand, larger consumers can purchase energy directly from generators or energy traders, which negotiate price and contract terms bilaterally and, this way, can obtain a large reduction in cost. That market represents 30% of the consumption in Brazil, although it amounts to 85% of all Brazilian industry consumption.

With a huge potential in wind power and photovoltaic solar energy, Brazil has undergone a transformation in its electric grid. Out of 158,49 GW of installed capacity, 80% are renewable energy, with 64% from hydro, 9% biomass, 8% wind power and 1% solar. Considering that scenario, the system operation needs to be changed in order to become appropriate to the existing intermittence, which impacts commercial relations. The evolution in the methodology of price calculation, the funding of generation projects by the free market, the effectiveness in response to demand, the large scale of storage and electric cars compose a new scenario in the Brazilian market.

Holder of great technical knowledge and operational excellence, CCEE continues applying effort to develop the energy market sustainably and in a way that appeals to investors.

Successful 2018 APEx Conference!

Transpower recently hosted the 23rd annual APEx Conference at the Te PAPA National Museum in Wellington, New Zealand. The conference was attended by delegates representing power exchanges in Asia, Europe, North and South America and Saudi Arabia - many of whom had never been to New Zealand before. As first-time hosts, Transpower's aim was to deliver a uniquely New Zealand experience for the delegates which showcased the best of Wellington and met the high standards set by previous conferences.

The week began with the arrival of the four young energy professionals – the conference “Bright Sparks” representing India, Columbia, Mexico and Croatia. The Bright Sparks programme involved an array of activities designed to educate and entertain. The guests were transported to Boomrock Lodge for the conference opening function, to enjoy some stunning New Zealand scenery and try their hand at extreme golf. Wellington turned on a beautiful spring afternoon and guests were spellbound by the spectacular views of the Tasman Sea and South Island.



The conference kicked off the following day at TE PAPA with a Mihi Whakatau, followed by opening addresses from Hon David Parker (Minister for Economic Development), Alison Andrew (CE of Transpower) and Stu Bresler.

The first full day of the conference included key note addresses from Kevin Hart (Asia Regional Leader for GE), Audrey Zibelman (CE of AEMO), Sue Paul (Robinson Bowmaker Paul) and Randy Berry (OSI), spread amongst panel sessions covering topics such as renewables, cross-border co-ordination and investments from market efficiencies. The sessions prompted some valuable discussions which demonstrated that globally our industry is grappling with fundamentally similar challenges.

The day finished on a high note with a gala dinner at Te Marae in Te Papa including a spine-tingling kapa haka performance (a group who perform traditional Maori dancing and chanting) delegates responded with a rousing rendition of a local New Zealand favourite.



The last day of the conference began with a breakfast featuring an informal Q&A session with Alison Andrew and Andrew Ott (President & CEO of PJM Interconnection). Both spoke candidly about the challenges facing their organisations. At the conference venue, Transpower director Dean Carroll gave a keynote address on the evolution of the NZ market, followed by two more panel sessions including a discussion on what's next for power exchanges.

The closing function was a highlight for movie buffs as delegates were transported out to Wellington's iconic film hub, Miramar, the home of Weta Digital, Weta Workshop and Weta's group of studios. The group experienced an entertaining demonstration of special effects make-up by Weta Workshop technicians and a tour of the Weta Cave followed by a show reel and talk from Academy Award winner Jamie Selkirk (The Return of the King).

The conference was a great opportunity for members and non-members to network, catch up and discuss the current challenges in their organisations.

We look forward to seeing you in 2019!