

STARTING A NEW DESIGN OF MARKET MONITORING

Energy Intermarket Surveillance Group Meeting 39

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El futuro
es de todos

DNP
Departamento
Nacional de Planeación



Responsibilities of the Superintendency

Responsibilities are outlined in Law 142 of 1994



Mission

Promote and protect the rights and obligations of users and providers of public services, and the provision of these essential services in a sustainable way according to the defined quality standards, in order to contribute to improving the quality of life of Colombians, the competitiveness of the industry and the economic and social development of the country.

Superintendency of Public Utilities

Monitor regulation compliance of public services providers, and enforce contracts between companies and users.

Evaluate the technical, operational, administrative and financial management of companies, according to regulation.

Require solution to failures in the provision of services.

Verify the rates charged to users which are subject to current regulations.

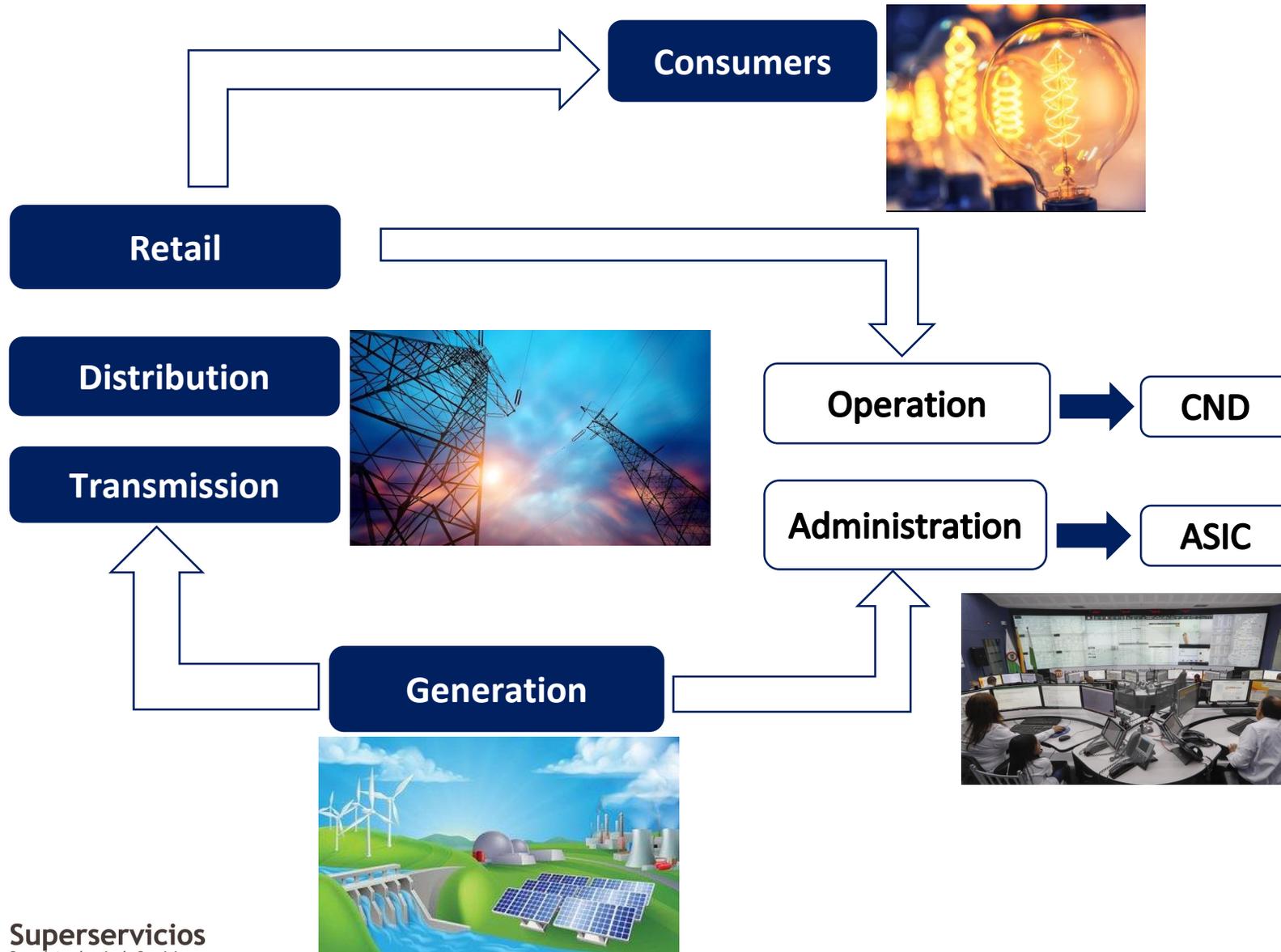
Investigate and penalize companies and their representatives when behave inappropriately.

Colombian Markets Overview

Wholesale electricity market structure



Electricity Market Components



Market

- Day ahead market.
- Auction with uniform marginal price.

Offers by agents

- Single price for the day.
- Hourly availability declaration.

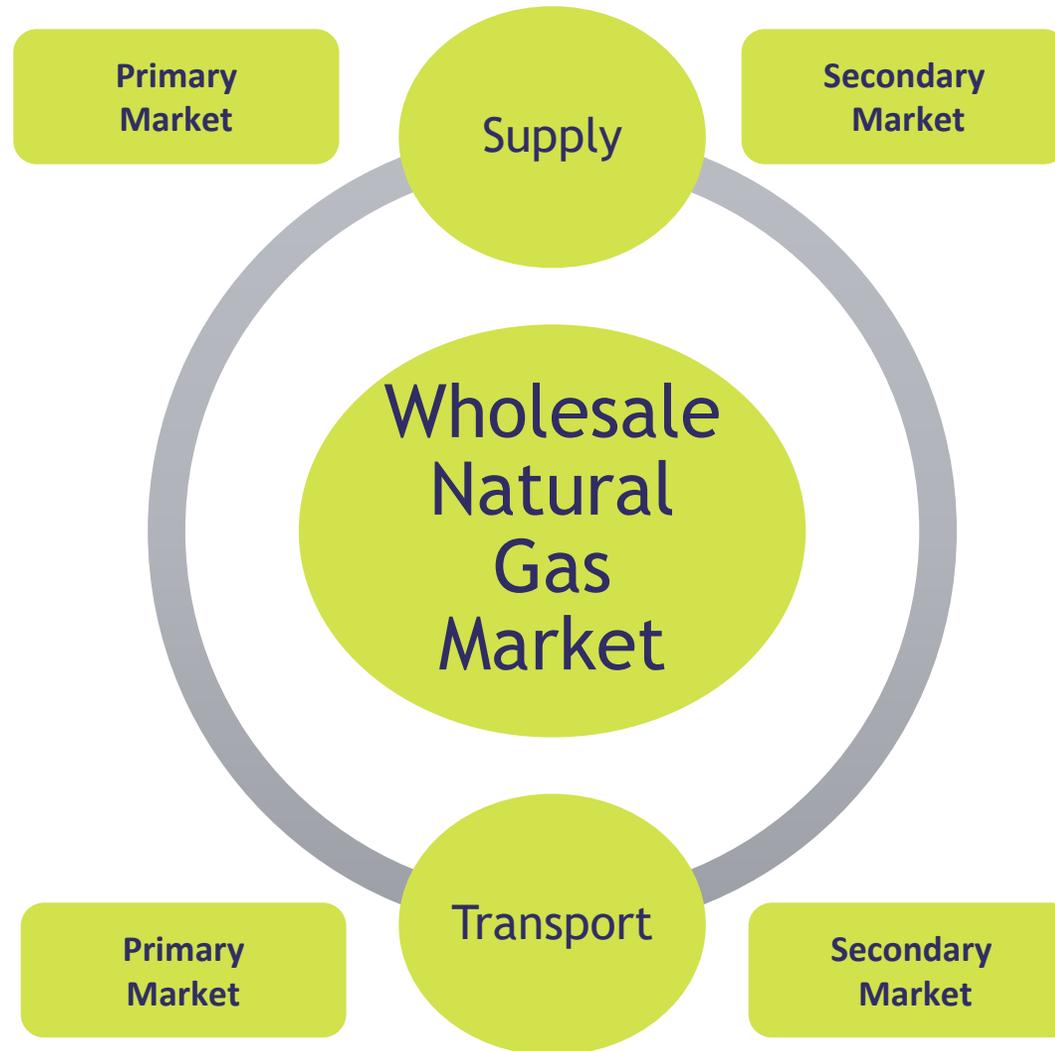
CND

- Operation and administration of the system

Consumers

- Regulated
- Unregulated
- International exchanges

Wholesale natural gas market structure



Natural Gas Market Components

Import Gas
Supplier

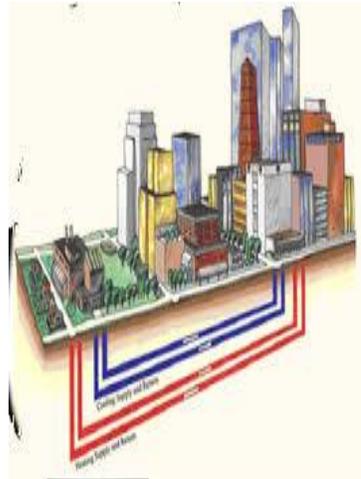
SUPPLY



TRANSPORT



DISTRIBUTION



RETAIL



Market

- Long term Bilateral negotiation
- Short term auctions

Information manager

- Data base administrator

Consumers

- Regulated
- Unregulated

Markets Data

Electricity

Capacity: 17.422 MW, 68% Hydro 30% Thermal
 Annual Demand 2018: 69.121 GWh/year
 Average Spot Price 2019: 60 USD/MWh

Supply Market

	1	2	3	4	5
Top 5 Market Share	21%	20%	18%	7%	6%
HHI	1302				

Retail Market

	2006	2017	2018
Highest Market Share	22%	28%	30%
Combined Market Share (2 companies)	37%	52%	53%
HHI	1955	1784	1816
Number of companies	57	50	47

Natural Gas

Production Potential 2019: 1.204 GBTUD
 Average Demand 2019: 869 GBTUD
 Average Contract Price 2019: 4,17 USD/MBTU

Supply Market

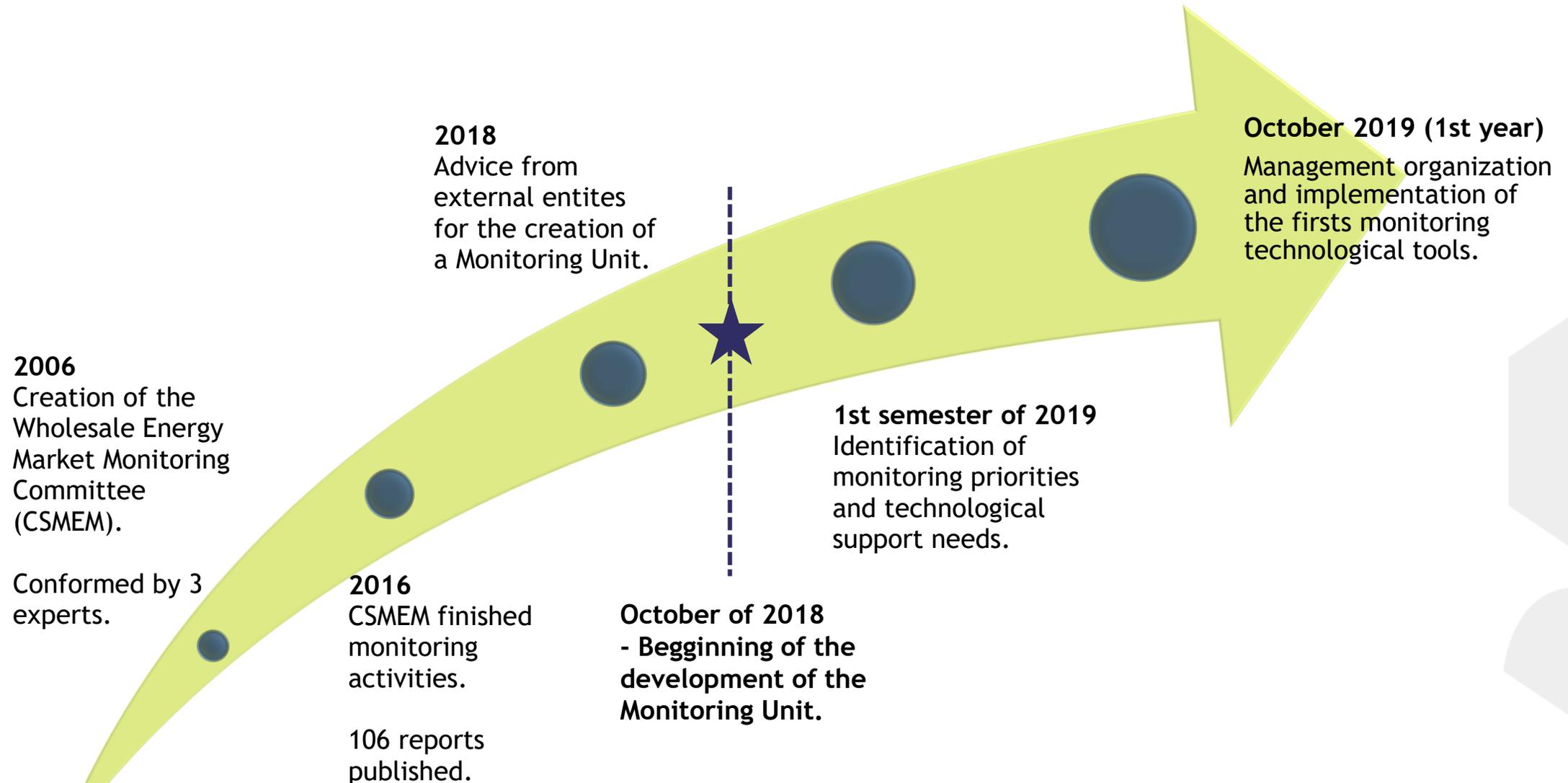
	1	2	3	4	5
Top 5 Market Share	50%	15%	11%	7%	6%
HHI	2953				

Retail Market

	2008	2013	2018
Highest Market Share	31%	27%	24%
Combined Market Share (2 companies)	44%	40%	37%
HHI	1497	1330	1186
Number of companies	60	76	94

Evolution of Market Monitoring in Colombia

Evolution of the Market Monitoring in Colombia



What is the UMMEG

The Electricity and Gas Markets Monitoring Unit (UMMEG) is a work group created within the Delegated Superintendency for Energy and Gas, responsible for the monitoring of electricity and gas wholesale markets.



Unidad de Monitoreo para
Mercados de Energía y Gas Natural

Goals

Develop methodologies for monitoring the electricity and natural gas wholesale markets.

Establish prospective monitoring processes based on performance indicators of electricity and natural gas markets.

Publish periodic information on the performance of the electricity and natural gas markets.

Collect inputs for investigations oriented to demonstrate regulatory breaches



UMMEG

Unidad de Monitoreo para
Mercados de Energía y Gas Natural

UMMEG

COORDINATOR

ELECTRICITY
MARKET ANALYSIS
TEAM

NATURAL GAS
MARKET ANALYSIS
TEAM

INFORMATION TECHNOLOGY TEAM

LEGAL ADVISORY TEAM

Joint work with stakeholders

Operation and Data base administrators

- Access to transactional and operational information.
- Communication protocols and information exchange.
- Meetings to discuss operational issues.
- Identification of issues to improve quality of reporting for both sectors.

Agents

- Requirements of information.
- Monitoring meetings.
- Inspection visits.

Policy maker and regulator

- Information exchange
- Discussion of operational issues.
- Agents behaviors analysis.
- Identification of issues to improve market behavior.
- Policy and/or regulation improvement.



Electricity

- Pivotal test
- Residual Offer
- Herfindahl - Hirschman Index (HHI)
- Market Share
- Pricing
- Lerner Index



Gas

- Price dispersion
- Transactions between affiliates
- Availability of Imported natural gas

Outputs of the UMMEG

- Weekly
- Relevant indicators.
- Tracking operational events.
- Regulatory news.
- Analysis on gas and electricity issues.

Monitoring Committee



- Weekly
- Internal document.
- Indicators tracking.
- Regulatory news.

Infography

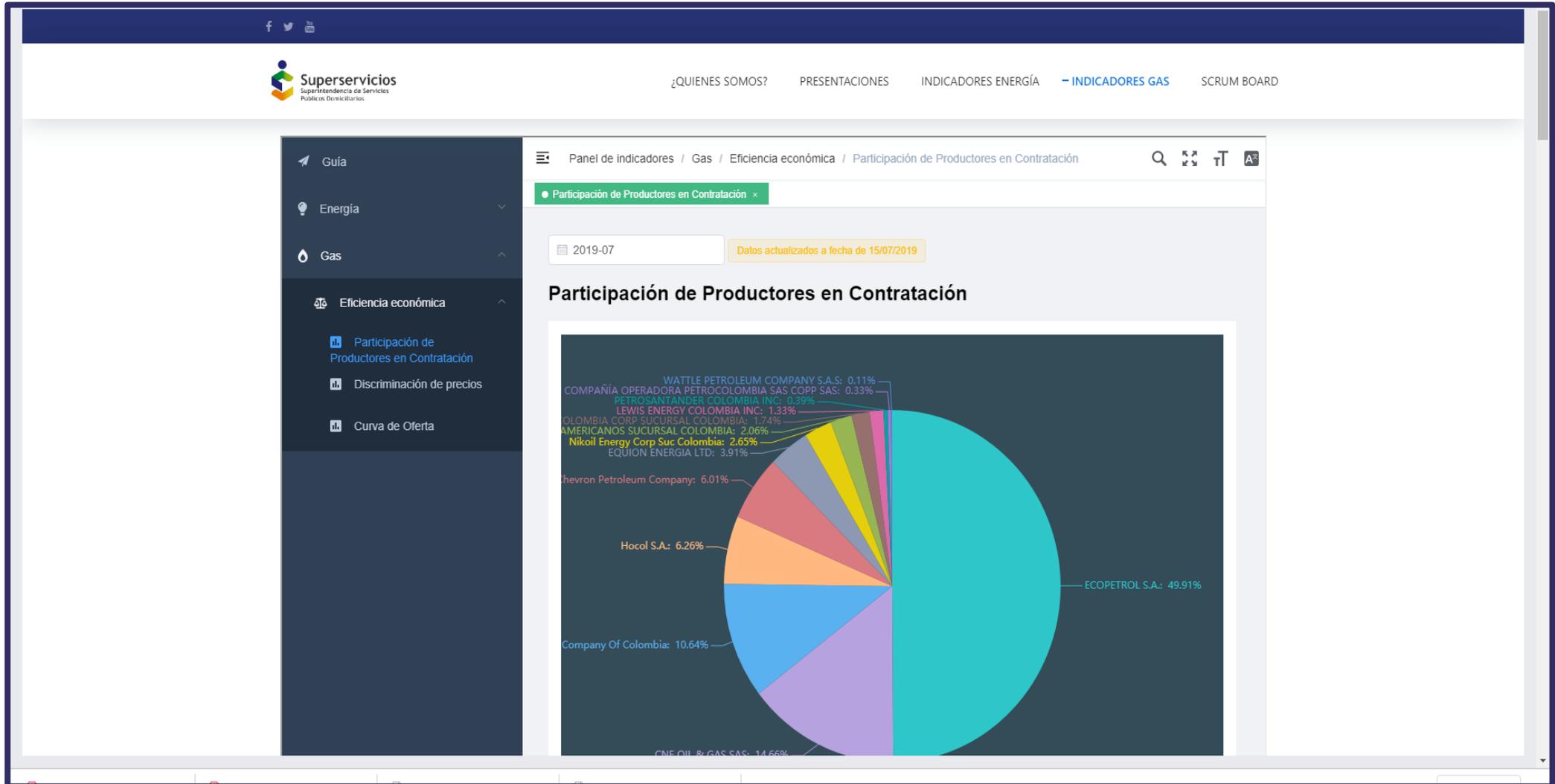


- Semestral
- Internal/External documents.
- Market analysis.
- Relevant situations.
- Compilation of daily monitoring.

Market report



Webpage Development



Thank you

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