

1) **Fiche to be used for each step:**

The step under review	<i>Continue the implementation of the electricity integration roadmap by the Transmission System Operator (TSO) and the Nominated Electricity Market Operators (NEMOs) joining day ahead market coupling with the EU, in line with Energy Community requirements.</i>
Baseline	<i>Baseline (2023) is day ahead market is functional since 10 of May 2023 in line with European practice. New NEMO designation is in line with CACM regulations. This designation should be performed in a way that our NEMO (MEMO) will be recognized by European Commission as NEMO in North Macedonia.</i>
Deadline of the step	December 2025
Actual results	<p>A basic prerequisite for starting the market integration process was the adoption of the Energy Law (*) (Official Gazette of the Republic of North Macedonia No. 101/25 and 135/25).</p> <p>This Law, in accordance with the Decision of the Ministerial Council of the Energy Community No. 2021/13/MC-EnC, aligns with Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 concerning common rules for the internal market in electricity and amending Directive 2012/27/EU (CELEX No. 32019L0944), Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market in electricity (CELEX No. 32019R0943); Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard security of gas supply and repealing Regulation (EU) No. 994/2010 (CELEX No. 32017R1938); Regulation (EU) 2022/1032 of the European Parliament and of the Council of 29 June 2022 amending Regulations (EU) 2017/1938 and (EC) No. 715/2009 with regard to gas storage (CELEX No. 32022R1032), Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of 25 October 2011 on the integrity and transparency of wholesale energy markets (CELEX No. 32011R1227) and Regulation (EU) No. 2015/1222 of the European Commission of 24 July 2015 establishing guidelines for capacity allocation and congestion management (CELEX No. 32015R1222).</p> <p>In accordance with the Decision of the Government of the Republic of Macedonia adopted in September 2020, MEMO is also appointed as the Operator of the Organized Electricity Market.</p> <p>Several key entities actively participate in the organized electricity market. The Transmission System Operator (MEPSO) manages the transmission network</p>

and ensures reliable cross-border transmission of electricity, while the Distribution System Operator (EVN Elektrodistribucija) manages the distribution network and ensures the supply to end consumers. The Nominated Market Operator (MEMO) is responsible for organizing and administering electricity trading on the day-ahead and intraday markets, and the Energy Regulatory Commission oversees the implementation of the legal framework, approves tariff methodologies and ensures fair and competitive functioning of the market.

The electricity market operates through several segments that ensure the stability and flexibility of the system. Bilateral contracts ensure security of supply and price stability between producers and suppliers. The Day-Ahead Market (DAM) is a central place for trading electricity for the next day based on supply and demand. The Intraday Market (IDM) allows for additional corrections to trading positions closer to the time of delivery, while the balancing energy market, managed by MEPSO, ensures a realistic balance between production and consumption at any given time.

Market coupling is implemented in accordance with Regulation (EU) 2015/1222 (CACM), which is partially transposed into the Energy Law and which establishes the rules for the allocation of cross-border capacities and congestion management by creating a single day-ahead and intraday market. Within the framework of market coupling, transmission operators, such as MEPSO, and market operators, such as MEMO, HUPX and OPCOM, cooperate in providing and exchanging data on available cross-border capacities.

MEMO, in its capacity as NEMO, and AD MEPSO, in its capacity as Transmission System Operator, are signatories to the Memorandum of Understanding on Day-Ahead Coupling together with the relevant operators from Greece, Albania and Kosovo (MoU on SEE Electricity Day-Ahead Coupling). The aim of the Memorandum is for the day-ahead market coupling to be carried out through the coordination body for the coupling of electricity markets at the borders of Italy (IBWT - Italian Border Working Table). This body has 23 members and, among others, the coupling between the borders of the Republic of Greece and the Republic of Bulgaria was carried out through it.

In order to continue the implementation of the merger with the European electricity market, MEMO and AD MEPSO became signatories to the 3rd amendment to the IBWT, i.e. full members of that body, as of October 2025.

This fulfilled one of the prerequisites for the creation of the so-called LIP (Local Implementation Project) for the day-ahead market coupling of the interconnection with the Republic of Greece. According to the MCSC (Market Coupling Steering Committee), the market coupling process itself, in which technical and regulatory adjustments are implemented, lasts 18 months. Those 18 months, which begin with the official creation of the LIP, should be preceded by the adoption of the so-called MCO IP (Market Coupling Implementation Plan) by ACER and verification of the implementation of the integration package by the Energy Community Secretariat and the European Commission.

The MCO IP has already been sent once by the European NEMOs, but ACER returned it for further development with a request to analyze the impact of including borders from the Energy Community countries on the calculation algorithm. Formally, the MCO IP has not yet been sent for approval. The approval process at ACER takes 6 months, which moves the first opportunity to start the day-ahead market merger to Q1 2028. For clarification, as a rule, mergers become operational in Q1 for the day-ahead market and Q4 for the intraday market.

As part of the technical preparation for market integration, the transmission system operator AD MEPSO has prepared a proposal for amendments to the Network Rules, in which the provisions of Regulation (EU) 2015/1222 (CACM) were added in a separate annex. These rules were submitted for opinion to the Ministry and the Energy Regulatory Commission on 11.09.2025. The Ministry submitted an opinion on 12.11.2025. MEPSO acted on the opinion of the Ministry and the Energy Regulatory Commission and on 18.12.2025 submitted Rules for the allocation of cross-zonal capacity for the use of capacity on the day-ahead market, the intraday market and for the purposes of cross-border balancing.

In parallel, MEMO DOOEL Skopje and AD MEPSO established regional cooperation for day-ahead market interconnection within the framework of the South-East Europe Market Coupling Initiative, which includes transmission system operators and nominated electricity market operators (NEMO) from North Macedonia, Greece, Albania and Kosovo. In this regard, a Memorandum of Understanding was signed in November 2023 to advance the project.

The project is aligned with the rules and processes of the IBWT (Italian Borders Working Table), with the Steering Committee submitting a letter of accession to the IBWT. In continuation of the process, MEMO DOOEL Skopje and AD MEPSO submitted information on the acceptance of the IBWT Operational Agreement (third amendment and participation agreement) to the IBWT Steering Committee, after which it was signed by both institutions in mid-September 2025.

NEMO in the Republic of North Macedonia as an obligation arising from the transposition of the fourth "clean energy" package.

The transitional provisions of the Law, specifically Article 307, stipulate that within eight days from the date of entry into force of the Law, the Energy Regulatory Commission is obliged to determine the fulfillment of the conditions of the Regulation on the operation of the operator of the organized electricity market and the necessary technical, personnel and financial conditions that it needs to meet (*) ("Official Gazette of the Republic of North Macedonia" No. 227/19) and submit to the Government an opinion and a proposal for adopting a decision on the appointment of the performer of the activity of managing the organized electricity market, appointed as the operator of the organized electricity market in accordance with the Decision on the appointment of the operator of the electricity market as the operator of the organized electricity

market ("Official Gazette of the Republic of North Macedonia" No. 218/20) for the nominated operator of the organized electricity market - NEMO in the Republic of North Macedonia. With the Decision on the appointment of the electricity market operator as the operator of the organized electricity market ("Official Gazette of the Republic of North Macedonia" No. 218/20), adopted by the Government of the Republic of North Macedonia, No. 44-8155/1 of September 9, 2020, the National Electricity Market Operator - MEMO DOOEL Skopje, with EMBS 7309724 and registered office at ul. Maksim Gorke no. 4, Centar, Skopje, has been appointed as the operator of the organized electricity market. The Government of the Republic of North Macedonia on 05.06.2025 adopted the Decision on the appointment of the organized electricity market operator as the nominated electricity market operator - NEMO in the Republic of North Macedonia.

In the meantime, preparations for the merger continue from an operational point of view, and to that end, MEPSO has already become part of the Joint Allocation Office (JAO), and MEMO is working intensively to start operating on the Intraday Market by the end of Q2 2026. The goal of all activities is to merge with the European market in the day-ahead and intraday segments, which would enable increased liquidity in the electricity market, optimal utilization of transmission capacity, and an increase in the overall benefit of the electricity market in our country.

MEPSO has submitted a draft Rules for Registration of Participation in the Electricity Market and Regulation of the Bilateral Contracts Market. The Regulatory Commission has scheduled a reporting session on 08.01.2026 at which these rules will be reviewed.

With the establishment of the Ministry of Energy, Mining and Mineral Resources, the process of implementing the electricity market integration path was managed by the Ministry in accordance with the Reform Agenda. First, the process of collecting nominations for members of the Working Group began on 31.10.2025, which were submitted to the Energy Regulatory Commission (ERC), AD MEPSO, MEMO DOOEL Skopje and the Government of the Republic of North Macedonia. For the establishment of the working group, a decision No. 08-5058/4 of 26.11.2025 was adopted.

So far, four meetings of the Working Group have been held at the premises of the Ministry of Energy, Mining and Mineral Resources:

- First constituent meeting: 28.11.2025
- Second meeting: 05.12.2025
- Third meeting: 12.12.2025
- Fourth meeting: 26.12.2025

At the first consultative meeting of the Working Group, the consultant engaged by the Delegation of the European Commission to the Republic of North Macedonia on the project Supporting Energy Reforms in North Macedonia

under contract FWC SIEA 2018 13696 participated as a guest and presented the Inception Note entitled “Key reform areas and preliminary mapping of energy sector commitments related to the Electricity Integration Package transposition and implementation in the Republic of North Macedonia”. The following documents were presented - Inception Note, Matrix as a sub-step, Implementation Action Plan - with details on monitoring the fulfillment of the obligations of each individual act and a PowerPoint presentation.

The meetings were aimed at coordinating and preparing activities related to the alignment with the market integration process, with the inclusive participation of all relevant institutions and stakeholders.

The Working Group concludes that the following by-laws as listed below should be adopted in the shortest possible period. The following are the institutions involved in the process of adopting the by-laws of the EIP (Picture 1) and a proposal by the consultant for the timeframe for adopting the by-laws, as well as the fastest possible deadline for achieving market convergence and the steps that need to be completed. (Picture 2)

EIP Act	Transposition Vehicle	Responsible	Timeline (Energy Law)	Notes
ER NC	Network rules (transmission)	MEPSO; ERC; Ministry	Draft Q4-2025; Adopt by end-Feb-2026	Align with gap analysis
SO GL	Network rules (transmission)	MEPSO; ERC; Ministry	Draft Q4-2025; Adopt by end-Feb-2026	Align with gap analysis
CACM GL	Separate rules	MEPSO; ERC	Submit Jan 2026; Adopt by Feb 2026	Use MEPSO draft; adopt as separate rules
EB GL	Separate rules (balancing market)	MEPSO; ERC	Submit Jan 2026; Adopt by Feb 2026	Adopt as separate act
FCA GL	Separate FCA rules or joint with CACM	MEPSO; ERC	Submit Jan 2026; Adopt by Feb 2026	Define approach early (legal basis mix) – proposal to adopt as separate legal act

Picture 1

Provisional (fastest possible) timeline

MILESTONE	EARLIEST DATE	DEPENDENCIES
EIP Transposition	Feb 2026	Secondary legislation adoption
ACER MCO IP Decision	Apr 2026	Submission by EU NEMOs (not done yet)
Verification Process	Mar-Oct 2026	Complete notification package (if submitted in Feb 2026)
NEMO Compliance	Oct 2026	Verification completion (will confirm)
CCR* operationalisation	N/A	All CPs from CCR have transposed EIP completely (no CCR decision yet)
LIP Testing	Oct 2026-Apr 2028	Verification and agreements
SDAC Joining	Q1 2029	LIPs completion, agreements signed, testing done
SIDC Joining	Q4 2029	LIPs completion, agreements signed, testing done

Picture 2

MEMO, in its capacity as NEMO, and AD MEPSO, in its capacity as Transmission System Operator, are signatories to the Memorandum of Understanding on Day-Ahead Coupling together with the relevant operators from Greece, Albania and Kosovo (MoU on SEE Electricity Day-Ahead Coupling). The aim of the Memorandum is for the day-ahead market coupling to be carried out through the coordination body for the coupling of electricity markets at the borders of Italy (IBWT - Italian Border Working Table). This body has 23 members and, among others, the coupling between the borders of the Republic of Greece and the Republic of Bulgaria was carried out through it.

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<p>Evidence provided</p>	<ol style="list-style-type: none"> 1. Request for nomination of members of the Working Group for the implementation of Reform 2.1.1.1.pdf 2. Request for nominations of working group members english.pdf 3. Decision on the establishment of a Working Group for Reform 2.1.1.1 – Harmonization with the Electricity Market Integration Package and Coupling with the EU Market.pdf 4. Реформа 2.1.1.1 -Усогласување со пакетот за интеграција на пазарот на електрична енергија и спојување со пазарот на ЕУ.pdf 5. First constituent meeting of the Working Group for the implementation of Reform 2.1.1.1 – harmonization with the Electricity Market Integration Package.pdf 6. Реформа 2.1.1.1 – Усогласување со пакетот за интеграција на пазарот на електрична енергија и спојување со пазарот на ЕУ\New folder\Прв состанок на работната група.pdf 7. Minutes of the meeting held on 05.12.2025 corrected.pdf 8. Реформа 2.1.1.1 – Усогласување со пакетот за интеграција на пазарот на електрична енергија и спојување со пазарот на ЕУ\New folder\Записник од состанокот одржан на 05.12.2025 корегирано.pdf 9. Minutes of the meeting held on 12.12.2025.pdf 10. Реформа 2.1.1.1 – Усогласување со пакетот за интеграција на пазарот на електрична енергија и спојување со пазарот на ЕУ\New folder\Записник од состанокот одржан на 12.12.2025.pdf 11. Minutes of the meeting held on 26.12.2025.pdf 12. Реформа 2.1.1.1 – Усогласување со пакетот за интеграција на пазарот на електрична енергија и спојување со пазарот на ЕУ\New folder\Записник од состанокот одржан на 26.12.2025 година.pdf 13. attendance list for first meeting 28.11.2025.pdf 14. attendance list for second meeting 05.12.2025.pdf 15. attendance lists for third meeting 12.12.2025.pdf 16. attendance list for fourth meeting 26.12.2025.pdf
<p>Checks performed in the verification of the step and related findings</p>	<ol style="list-style-type: none"> 1. Official establishment and functioning of the Working Group: <ul style="list-style-type: none"> • It has been confirmed that representatives from the Energy Regulatory Commission (ERC), AD MEPSO, MEMO DOOEL Skopje and the Government of the Republic of North Macedonia have been nominated and formally registered as members of the Working Group.. • The holding of four official consultative meetings (28.11.2025, 05.12.2025, 12.12.2025 and 26.12.2025) at the premises of the Ministry of Energy, Mining and Mineral Resources has been confirmed..

	<ul style="list-style-type: none"> • Attendance lists and minutes are kept for all meetings, confirming that the process is conducted transparently and in accordance with established procedures. <p>2. Checking compliance with legal and regulatory obligations:</p> <ul style="list-style-type: none"> • The adoption of the Energy Law, including the establishment of transitional provisions for the designation of NEMOs, has been reviewed for compliance with the EIP and corresponding tables have been developed. • By-laws and rules related to the functioning of the electricity market are reviewed and harmonized with the EIP in coordination with the ERC, the transmission system operator (TSO) and MEMO DOOEL Skopje. <p>3. Progress control and verification of prepared documents:</p> <ul style="list-style-type: none"> • The Law on Energy and the above-mentioned draft by-laws and the corresponding tables have been prepared within the framework of this market integration process, have been reviewed by the Ministry of Energy, Mining and Mineral Resources and submitted to the Energy Community and other relevant institutions for comments. • The comments and recommendations received from stakeholders have been reviewed and appropriately incorporated into the legal and draft bylaws, ensuring traceability through the preparation of corresponding tables.
<p>Compliance with general principles and DNSH principle</p>	<p><i>The implementation of the steps does not contravene the general principles outlined in Article 4 and 11(4) of Regulation (EU) 2024/1449 and Article 3 of the Facility Agreement.</i></p> <p><i>The implementation of the steps does not contravene the 'Do No Significant Harm' principle (DNSH).</i></p>
<p>Double funding</p>	<p><i>Contributions from third parties were identified in support of the achievement of this step.</i></p>
<p>Clear conclusion on the achievement of the step</p>	<p><i>Not Achieved</i></p>
