



Intraday Cross-Zonal Gate Opening and Gate Closure Times

Consultation document

PC_2018_E_01

9 January 2018

This consultation document is issued to invite comments on the Agency's proposed draft amendments of the All Transmission System Operators' ('TSOs') proposal for intraday cross-zonal gate opening and gate closure times ('IDCZGTs') in accordance with *Article 59 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management* ('CACM Regulation').

This consultation, in accordance with *Article 8(1) of the Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the cooperation of Energy Regulators*, is open to all interested stakeholders, who are invited to submit their comments by:

30 January 2018
24:00 hrs (CET)

by sending them to the following address:

consultation2018E01@acer.europa.eu

This document contains specific questions for consultation. Stakeholders are invited to address the issues raised in the questions, as well as to provide any other comments, which they may deem appropriate. In order to identify your response, please include the following contact information on the top of your answer sheet: Name, Company, Address, Contact email, Phone and Country.

Following the public consultation period, the Agency will issue a decision and publish all answers received from stakeholders. Stakeholders should also consider that confidential answers should be used in a limited way. The Agency advises stakeholders to claim confidentiality only on commercially sensitive information and to ensure that a non-confidential version is also submitted. Nevertheless, if you wish to submit a confidential material, please put a word 'CONFIDENTIAL' in the subject of the e-mail as the Agency will not treat those e-mails, which contain any kind of disclaimer (usually automatically added) as confidential.

Related documents

- Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators.
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0001:0014:EN:PDF>
- Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross border exchanges in electricity and repealing Regulation (EC) No 1228/2003
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0015:0035:EN:PDF>
- Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management
http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2015.197.01.0024.01.ENG

- All TSOs' proposal for IDCZGTs
https://www.entsoe.eu/Documents/Network%20codes%20documents/Implementation/cacm/170810_IDCZGT_Proposal_AllTSOs_approved.pdf#search=All%20TSOs%E2%80%99%20proposal%20for%20intraday%20cross%2Dzonal%20gate%20opening%20and%20gate%20closure%20times%20in%20accordance%20with%20Article%2059%20of%20Commission%20Regulation%20%28EU%29%202015%2F1222%20of%2024%20July%202015%20establishing%20a%20guideline%20on%20capacity%20allocation%20and%20congestion%20management%2010%20August%202017

1 Background

In accordance with Article 59(1) of the CACM Regulation, all TSOs are obliged to develop a proposal on IDCZGTs. The proposal needs to be submitted to all NRAs for approval no later than 16 months after the entry into force of the CACM Regulation. Moreover, the proposal is subject to consultation in accordance with Article 12 of the CACM Regulation.

With regard to these requirements, all TSOs published an 'All TSOs proposal for intraday cross-zonal gate opening and gate closure times (the initial proposal) for consultation, which was performed between 18 April 2016 and 18 May 2016 and included a stakeholder webinar held on 9 May 2016.

By 14 December 2016, all TSOs should have submitted the initial proposal to all regulatory authorities (received by the last regulatory authority on 20 December 2016) in accordance with Article 59(1) of the CACM Regulation.

By 20 June 2017, all regulatory authorities should have approved the initial proposal or require an amendment. On 14 June 2017, the Agency received a letter from the Energy Regulatory Forum ('ERF') that all regulatory authorities agreed to request an amendment of the initial proposal (the last regulatory authority decided on the matter on 3 August 2017).

By 6 September, all TSOs submitted to all regulatory authorities an amended proposal for intraday cross-zonal gate opening and gate closure times ('Proposal')¹.

On 24 October 2017, the Agency received a letter from the ERF by which regulatory authorities request the Agency to adopt a decision on this methodology pursuant to Article 9(12) of the CACM Regulation.

In this letter, all regulatory authorities explained that while they agreed on a general view on the intraday cross-zonal gate opening and gate closure times they could not agree on the gate opening and closure times in specific capacity calculation regions or bidding zone borders. They invited the Agency to keep the regional Gate Opening Times (GOTs) where necessary but requested a future default target GOT to be set to at least to 15:00 D-1. For the Gate Closure Times (GCTs), all regulatory authorities agreed to set it at 60 minutes before real time, while some bidding zone borders, which could enjoy the benefits of moving the GCT closer to real time, should be allowed to set their GCTs to a minimum of 30 minutes before real time.

2 Consultation topics and questions

The Agency has closely followed the discussions between NEMOs, NRAs, TSOs and stakeholders on the possible solutions to set the proper intraday cross-zonal gate opening and gate closure times.

¹ No information from Northern Ireland and Romania.

These discussions revealed that the decision on intraday cross-zonal gate opening and gate closure times is highly interdependent with many other market design elements, namely:

1. the intraday gate opening and gate closure times inside bidding zones;
2. the intraday cross-zonal capacity calculation;
3. the congestion management processes performed by TSOs after the finalisation of day-ahead markets. These include:
 - a) national congestion management processes, which are different in self dispatch and central dispatch models;
 - b) coordinated congestion management processes to be performed by regional security coordinators; and
4. the pricing of cross-zonal capacities and the possibility to introduce intraday implicit auctions to price cross-zonal capacities.

The Agency understands that the Proposal needs to be evaluated against these interdependencies. Nevertheless, the importance of the above interdependencies is not yet fully understood and for this reason, the Agency would like to challenge at this stage the following three elements of the Proposal:

1. Feasibility of earlier GOT in those CCRs where the GOT is defined after 15:00 D-1
2. Establishment of a EU-wide harmonised GOT and clarification of its effective implementation date
3. Feasibility of shorter gate closure times (GCTs) for certain bidding zone borders between TSO both applying a reactive approach.

Topic 1: Feasibility of earlier regional GOTs

The Proposal defines different GOTs for different CCRs (i.e. 15:00, 18:00 and 22:00 D-1). The Agency understands that these GOTs are considered as transitional GOTs until a fully harmonised GOT is implemented. The Agency considers that the transitional GOTs could apply immediately after the entry into force of the Agency's decision, whereas the harmonised GOT would apply at the date discussed under Topic 2.

The TSOs justify the necessity for this transitional period mainly by the fact that currently they cannot perform intraday capacity calculation and other congestion management procedures in parallel to a continuous (cross-zonal) intraday market. They claim that they might be able to do that in future once certain operational experience is gained with both processes.

While the solution based on transitional GOTs is generally acceptable for all regulatory authorities, the Agency understands that 1) all regulatory authorities ask for a future default target GOT to be set to at least to 15:00 D-1 and 2) some regulatory authorities see a room for improvement in the proposed transitional GOTs in some specific CCRs.

First, for the case of the Channel, Baltic and Hansa CCRs, some regulatory authorities consider that the proposed interim GOT (22:00 D-1 for Channel and 18:00 D-1 for Hansa and Baltic) is not ambitious enough and propose to define it at 15:00 instead. While this may be seen as feasible from the perspective of capacity calculation which can be performed much quicker in case of CCRs with HVDC interconnectors, such a solution would, on the other hand, require that all internal bidding zone gate opening times on both sides of the interconnectors of these regions would be set to 15:00 D-1.

Second, the view of some regulatory authorities and shared by the Agency is that the time required for TSOs congestion management and capacity calculation processes (i.e. from 15:30 to 22:00) seems excessively long. In this perspective, it seems that TSOs may not have explored all options to optimise their processes to shorten this timeframe.² If this time can be shortened, the transitional GOT for those CCRs which propose GOT equal to 22:00 D-1 could be shortened to e.g. 21:00 D-1.

Consultation questions:

1. Do you find it reasonable to apply transitional GOTs which can be after 15:00 D-1 in order to give TSOs sufficient time to gain operational experience with congestion management procedures and intraday capacity calculation?
2. Do you consider the proposed GOT in the Baltic, Channel and Hansa CCRs ambitious enough or could TSOs on both sides of the bidding zone borders in those CCRs implement internal GOTs at 15:00 D-1?
3. Do you consider that TSOs could further optimise their planned capacity calculation and congestion management processes to enable a transitional GOT in some CCRs to be set to 21:00 or even earlier?

Topic 2: Establishment of a EU-wide harmonised GOT and clarification of its effective implementation date

With regard to this objective, the Agency notes that there are different expectations among stakeholders. The market participants are in favour of the earliest possible GOT for the sake of trading opportunities, while TSOs, who are responsible for the safe grid operation, prefer in many cases to move the GOT to later stages to run properly all the congestion management procedures and intraday capacity calculation.

As pointed out in their letter of 24 October 2017, the regulatory authorities support the establishment of a EU-wide harmonised GOT at 15:00 D-1. The Agency agrees with NRAs and considers that such a GOT would be the only one to ensure a level-playing field among market participants with regard to their access to the integrated continuous intraday market and cross-zonal capacities.

Therefore, the Agency is seeking stakeholders' feedback on the following three implementation options for the harmonised GOT at 15:00 D-1:

- a) The harmonised GOT shall be implemented within 12 months after the entry into force of the Agency's decision;
- b) The harmonised GOT shall be implemented within 36 months after the entry into force of the Agency's decision;
- c) The harmonised GOT shall be implemented in a CCR within 6 months after the implementation of intraday capacity calculation in that CCR.

In all three options, the implementation of the harmonised GOT would be applied to all bidding zone borders participating to the single intraday coupling.

² The Agency also understands that significant shortening of this timeframe could impose resource and time constraints on other projects such as the implementation of the intraday capacity calculation.

Consultation questions:

4. Which option for the harmonisation of GOT do you prefer? Please, explain thoroughly why or, alternatively, propose a new concrete timing and add the reasoning for such a choice.
5. Do you consider it acceptable that each CCR can have a different target date for implementing the harmonised GOT, depending on specific circumstances in such CCR?

Topic 3: Review of the gate closure times for specific bidding zone borders

In contrast to the GOTs, the Proposal establishes a much greater harmonisation for the GCTs which is proposed to be set to 60 minutes before real time except for the EE-FI border (30 minutes before the real time). While a EU-wide harmonisation of the GCT is also important, the Agency considers that exceptions could be allowed if they can be justified with respect to the objective of the CACM Regulation. For example, such exceptions would further maximise market participants' opportunities for adjusting their balances by trading in the intraday market time- frame as close as possible to real time in accordance with Article 59(2)(a) of CACM Regulation. In principle, where bidding zones on both sides of the bidding zone border have internal gate closer shorter than 60 minutes before real time, the cross-zonal gate closure time could also be defined shorter than 60 minutes before real time.

Consultation questions:

6. Do you agree with the exception from the harmonised GCTs and do you see other bidding zone borders than the EE-FI border where this exception could apply? If so, please explain why.