

# **18th CSE ERI Implementation Group meeting**

## **Overview of ACER Central South Europe (CSE) Electricity Regional Initiative (ERI) Work Programme 2011-2014 status of implementation**

*AEEG – European regulatory affairs*

*25 September 2012*

# ERI CSE WP 2011 - 2014

- **Target model**

- ▶ **LT: harmonization and improvement of LT explicit auctions**
- ▶ **DA: single EU price coupling**
- ▶ **ID: implementation of XB intraday trade**
- ▶ **Balancing: development of XB balancing exchanges**

*Today*

- ▶ **Capacity calculation**

- **Transmission development plans**

- **Report on management and use of interconnections**



# Meeting draft agenda

- **WP overview (AEEG)**
- **LT auction rules: evolution and approvals (RTE)**
- **Day ahead**
  - ▶ pre & post coupling arrangements (TSOs and PXs)
  - ▶ 2013 work schedule (all, for discussion)
- **Intraday**
  - ▶ Current status (TSOs and PXs)
  - ▶ 2013 work schedule (all, for discussion)
- **Balancing**
  - ▶ ACER EBFG (CRE/AEEG)
  - ▶ Current initiatives and way forward
- **Updates: XB re-dispatching and pilot project on zone definition.**
- **AoB**



## Long term - WP

- NRAs wishing list to TSOs for auction rules (NRAs, 2011)
- Discussion on firmness harmonization (NRAs, Sept 2011)
- New draft of harmonized auction rules (TSOs, Fall 2011) for CWE, CSE and CH borders
- Approval and entering into force of explicit auction rules (NRAs and TSOs, Dec 2011)
- **Further harmonization of PTR allocation rules vs amounts of capacity and firmness (TSOs, Summer 2012)**
- **Approval and entering into force of explicit auction rules for CWE, CSE and CH (TSO and NRAs, Dec 2012)**
- **Study for possible implementation of FTR (NRAs, Q4 2012)**



# Long term – main current open issues

- **Harmonization of LT CA rules - ACER Consultation**
  - ▶ [http://www.acer.europa.eu/Official\\_documents/Public\\_consultations/Pages/PC\\_2012\\_E\\_13.aspx](http://www.acer.europa.eu/Official_documents/Public_consultations/Pages/PC_2012_E_13.aspx)
  - ▶ End of public consultation: 28 October 2012
- **Approval procedures (mainly a NRAs issue)**
  - ▶ Extension to FR-ES border expected for 2014
  - ▶ Future amendments of daily products as of the DA coupling is implemented
- **Future changes?**
  - ▶ Replacement of explicit auctions with market coupling
  - ▶ Fallback solutions
  - ▶ ...



## Day ahead - WP

- **Timetable for regional implementation of PCR algorithm proposed by TSOs and PXs and validated by NRAs (Q4 2011)**
- **Gradual adoption of the PCR algorithm (All, 2012 and 2013)**
- **Adaptation of existing features (All, 2012 and 2013)**
- **Based on GG and contractual arrangements: roadmap for extension of NWE project (All, End 2012)**
- **Implementation of price coupling in CSE (TSOs and PXs , Beginning 2014) and EU wide (TSOs and PXs, End 2014)**



# Day ahead – main current open issues

- **Pre coupling arrangements – what's needed?**
  - ▶ Common Grid Model
  - ▶ Common CC methodology (FB / ATC)
  - ▶ Identification of subjects and contractual arrangements
  - ▶ Identification of functions and their allocation (GG/CACM)
- **Coupling – what's needed?**
  - ▶ GCT harmonization
  - ▶ Algorithm
    - Requirements, testing, output, transparency
  - ▶ Fallback solution
- **Post coupling arrangements – what's needed?**
  - ▶ Settlement, timing, transparency, incomes
- **Organization and Scheduling of activities for 2013 and 2014. Other issues?**



# Intraday - WP

- Roadmap for interim XB ID (TSOs and PXs, Sept 2011)
- NRAs position on interim ID model and roadmap (Nov 2011)
- Implementation of the interim procedures (TSOs, Beginning 2012)
- Roadmap to the target model based on NWE pilot (All, Q2 2012)
- NRAs position on ID implementation, options and roadmap for public consultation (Q4 2012)
- NRAs decision on first stage implementation interim solution (End 2012): testing solutions (e.g.CMM) and allowing ID OTC
- Second stage focuses on capacity pricing and integration with implicit auctions (NRAs, End 2012)
- Implementation of first stage of CMM (TSOs and PXs Mid 2013)
- Second stage and integration with other ID markets (TSOs and PXs, December 2004)





# Intraday – main current open issues

- Interim solution on IT – AT border
- Roadmap based on NWE experience. Feasible?
- Design and implementation timing of the hybrid solution
  - ▶ Coordination of continuous trading and implicit auctions
  - ▶ Pricing of capacity
  - ▶ GCT harmonization
  - ▶ Timing
- Other issues?



## Balancing - WP

- **Presentation of national balancing markets in RCC (NRAs, January 2012)**
- **Identification of main pre requisites for XB balancing and elaboration of a roadmap (TSOs, January 2012)**
- **Parallel to EBFG, identification of the roadmap for harmonization needed for XB balancing (NRAs and TSOs, December 2012)**
- **Implementation of first XB balancing market on selected borders (TSOs, mid 2013)**
- **Regional balancing market integration (TSOs, end 2014)**



# Balancing - main current open issues

- New topic on the Agenda (first discussion)
- ACER electricity balancing FGs
- NC will follow
- XB exchange of balancing energy
  - ▶ Current initiatives
  - ▶ Any chance for a new pilot project(s) on the EBFGB path?
- Other issues?



# Capacity calculation - WP

- TSOs proposal and NRAs assessment of 2012 NTC values and products based on Pentilateral Agreement (TSOs and NRAs, Oct 2011)
- Study a revision of current CC methodology and products to higher level of firmness (TSOs, Nov. 2011)
- Decision on level of firmness and compensation scheme for each border (Nov 2012)
- Feasibility study for adoption of FB CC methods as in CWE and CEE. Identification of a roadmap for CSE. Derogations possible (TSOs and PXs, Jan 2013)
- Decision on investment for FB IT and public consultation TSOs and NRAs, Q1 2014)
- NRAs approval for FB implementation (NRAs, Mid 2014)
- Implementation of FB market coupling (TSO, NRAs, and PXs, End 2014)



# Capacity calculation - current open issues

- Review of product definition though an higher level of firmness
- What about the CWE and CEE experiences?
  - ▶ Work on FB should start in 2013
- The regional dimension is extremely important also for the CACM NC, but what is the ideal regional scope for activities linked to FB calculation?



# Prioritization

- **Could it be considered a feasible approach to define prioritization criteria on the different topics so to concentrate the efforts on selected issues?**
- **What are NRAs, TSOs and PXs views?**



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***Thank you***

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