Cross Border Balancing
BALIT

Implementation Group
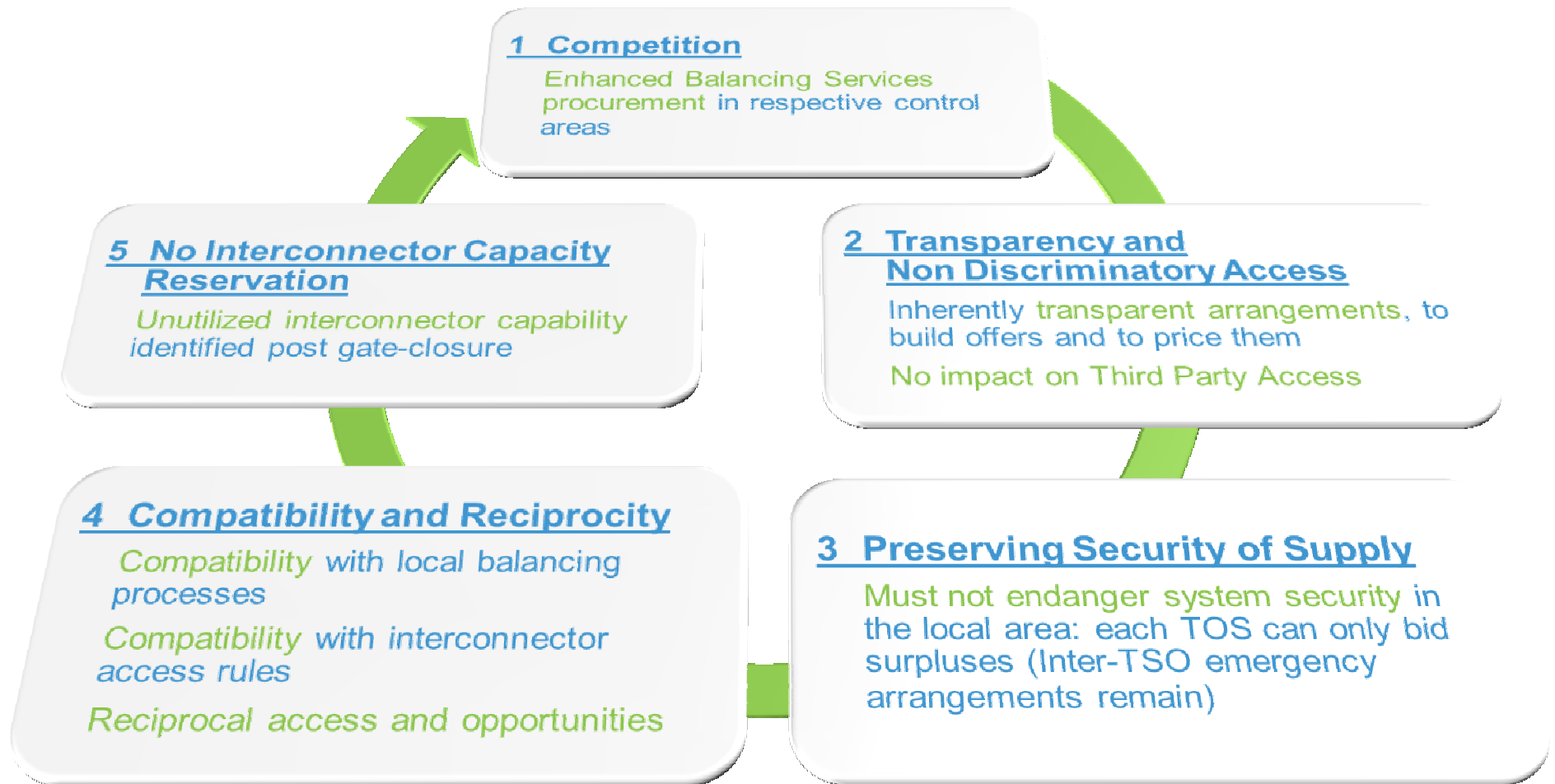25th September 2012
AEEG premises - Milano

Introduction

BALIT for BALancing Inter TSO, corresponds to a TSO to TSO exchange of tertiary reserves model

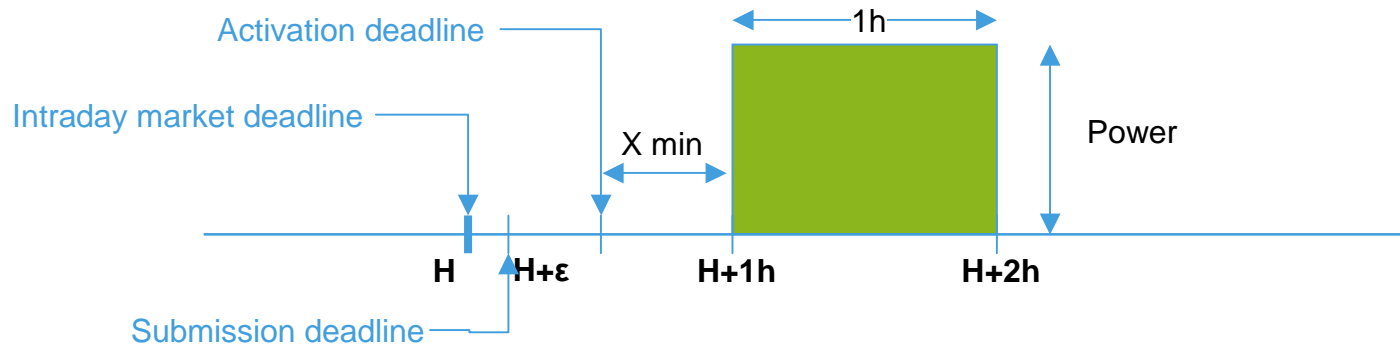It enables participating TSOs to exchange balancing energy (MWh):

– Each TSO keeps its own reserves (MW)

– Each TSO keeps its own procurement mechanism

– Near to real time, if a TSO has unused balancing energy (surpluses), this TSO can propose these surpluses to neighbouring participating TSOs

– No reservation of interconnection capacity, only remaining ATC is used

Implemented in the FUI region (since 2009)
and an extension is planned on SWE region with REE and REN

Rte
Réseau de transport d'électricité

5 keys principles of BALIT

1 Competition

Enhanced Balancing Services procurement in respective control areas

5 No Interconnector Capacity Reservation

Unutilized interconnector capability identified post gate-closure

2 Transparency and Non Discriminatory Access

Inherently transparent arrangements, to build offers and to price them

No impact on Third Party Access

4 Compatibility and Reciprocity

Compatibility with local balancing processes

Compatibility with interconnector access rules

Reciprocal access and opportunities

3 Preserving Security of Supply

Must not endanger system security in the local area: each TOS can only bid surpluses (Inter-TSO emergency arrangements remain)

Rte
Réseau de transport d'électricité

BALIT product characteristics

| Type of Offers	• Upward or Downward offers in the control area of the offering TSO
	• Upward corresponds to an export / Downward correspond to an import
Volume of Offers	• block of 50 MW for each type of offers
	• up to 10 blocks (max 500 MW)
Timings	• For a delivery period between [H+1;H+2]
	• Submission phase of offers until H+ε (ε = 10min)
	• Activation phase from H+ε to H+1h-X
	• 24 gate closures per day (1 per hour), compatible with the ID target model of continuous exchanges with a neutralization lead-time of 1 hour
Price	• In €/MW.h

Construction of the offers

Respect of security criteria
- TSO only make offers if their security criteria are fulfilled (from 0 to 10 blocks)
- For RTE, the criterion is the requested margin (MW)

Pricing principles
- Each TSO determines, on a hourly basis, the price of the TSO offers it can supply
- The pricing methodology of each TSO is transparent and published
- The price of offers reflects the balancing mechanisms' conditions
- In France :
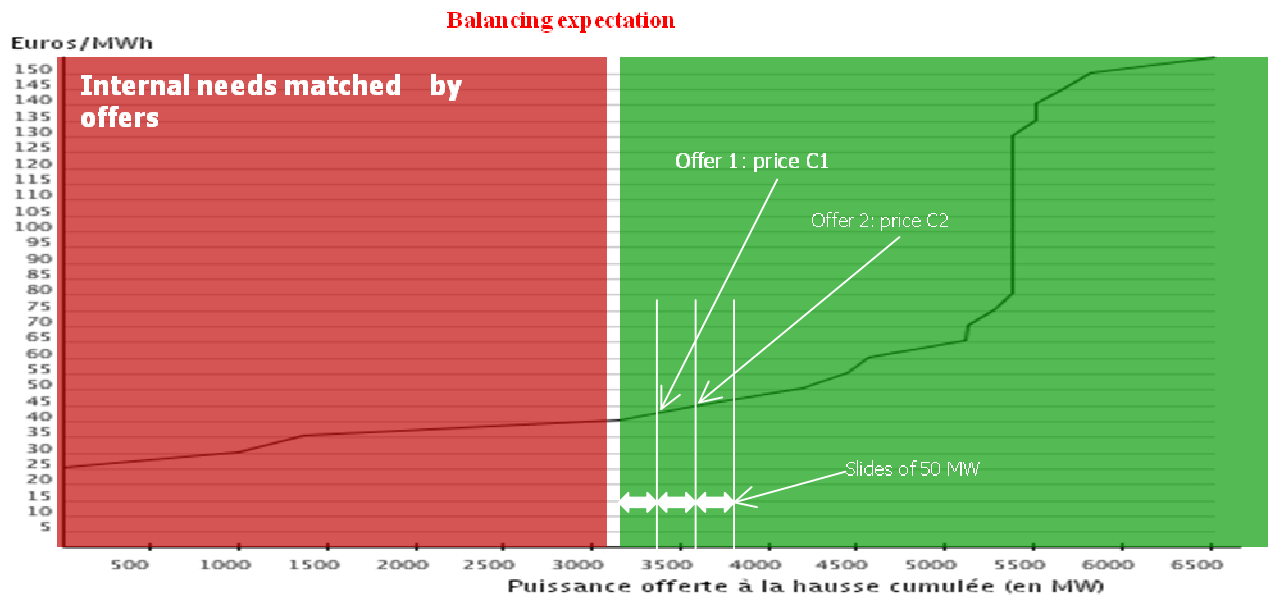
Clarifications about the Offers

Example of <u>offers proposed by RTE</u> (up to 10 blocks of 50 MW)

Information by hourly intervals	Volume of offers submitted by RTE	Maximim price of offers submitted by RTE	Minimum price of offers submitted by RTE	Volume of bids submitted by RTE	Maximum price of bids submitted by RTE	Minimum price of bids submitted by RTE
	MWh	€	€	MWh	€	€
00h00 – 01h00	500	62,7	62	50	4	4

Daily energy prices submitted by RTE : 22/08/2012

Key economic terms | Offers submitted by RTE | Archives | RTE's offers activated by another TSO | Archives

Offers > upward of energy in France

If another TSO ask for an offer (one or several blocks of 50 MW), RTE will deliver energy to this TSO (provided that capacity exists) and <u>the other TSO will pay the energy to RTE</u> at prices going from 62 to 62,7 €/MWh.

Bids > downward of energy in France

If another TSO ask for this bid (here only one block of 50 MW), RTE will receive energy coming from this TSO (provided that capacity exists) and <u>RTE will pay the energy to the other TSO</u> at 4 €/MWh.
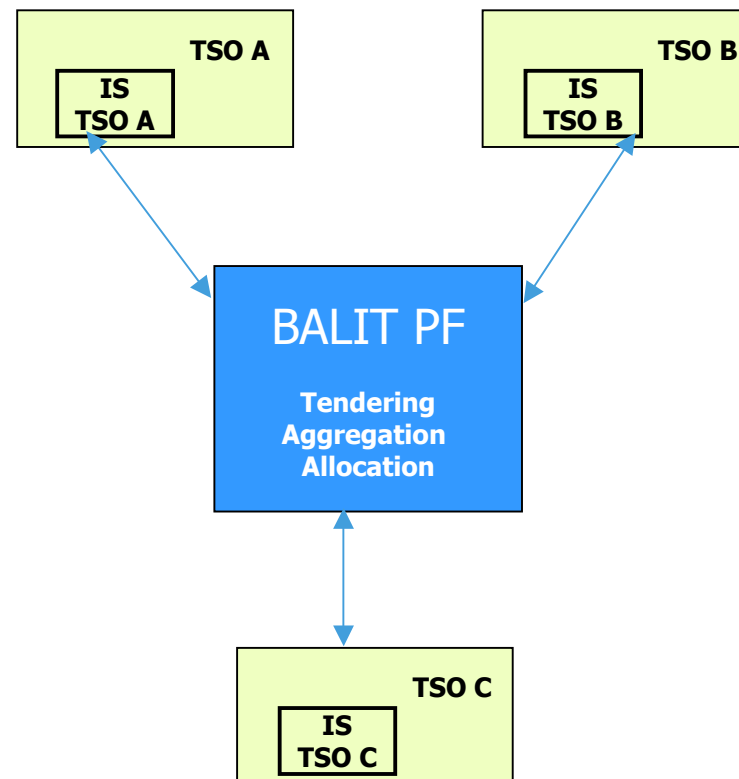
BALIT platform

Main functionalities of the platform:
- Collects TSO to TSO tenders
- Aggregates a Merit Order List
- Manages the allocation process
- Displays the results to each participating TSO

A MOL is issued per TSO and only gathers offers that this TSO can trigger.

TSOs are treated identically

First come first served

The ATC is not managed within the system and has to be checked separately.

Thank you for your attention

Rte
Réseau de transport d'électricité