

ACER

Agency for the Cooperation
of Energy Regulators



Draft Cross-regional roadmap for Capacity Calculation

Still work in progress, for discussion
5th AESAG, 20 September 2011, Brussels

● Agenda

- Background
- Overview of current regional road maps
- Cross-regional roadmap for capacity calculation
- Project milestones
- Horizontal issues and open questions

● Background (1)

- Target model (FG CACM) by 2014
 - » TSOs can define either Available Transfer Capacity (ATC) or Flow-based (FB) method
 - » Flow-based allocation method considered to be preferred to ATC method in highly meshed grids / highly interdependent grids for short term capacity calculation
 - » Common grid model (one for EU or at least per synchronous area) to be used
- Interdependence with Market Coupling method and algorithm
 - » Coordination between FB and MC implementation needs to be ensured

● Background (2)

- Cross-regional roadmap is based on
 - » regional work plans 2011-2014
 - » AESAG work on roadmap
 - » FG CACM

● Background (3)

- Coordination between TSOs will be key
 - » TSOs of different regions will need coordination regarding their capacity calculation in all cases: when two regions both use the same method (FB or ATC) but also in cases where one region conducts FB and the other region ATC calculations
- Different paths possible to get to FB method
 - » Path 1: MC before FB
 - » Path 2: FB before MC

● Background (4)

- Agreed requirements to be fulfilled in order for a region to switch to FB:
 - » Coordinated principles and data
 - » No decrease in Security of the System
 - » Increase in Social welfare
 - » Enough time to adapt for market participants
- Work on Flow-Based Capacity Calculation methods should not delay Market Coupling

Overview of current regional road maps

	Baltic	Central-East	Central-South	Central-West	Northern	South-West	France-UK-Ireland	SEE
Input on capacity calculation received	yes	yes	yes	yes	yes	no	yes	yes
Currently used capacity calculation method	ATC	ATC	ATC	ATC	ATC	ATC	Full technical capacity	ATC
Planned actions short-term 2011/2012	-	Flow-based project ongoing and coordination with CWE FB project	-	Flow-Based Market Coupling project ongoing and coordination with CEE FB project	Review of current capacity calculation scheme by NordREG	-	-	Harmonize methodologies/procedures for capacity calculation. Revise and enhance common grid model
Planned actions mid/long-term 2013/2014	Harmonization within region in 2013	-	Decision on roadmap for FB in CSE in Jan 2013	Implementation of flow based market coupling planned in 2013	-	-	-	-

Cross regional roadmap for capacity calculation

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Procedural steps	★	★	★	★	★	★	★	★	★	★	★	★	★	★
CEE FBA implementation path evaluation + decision			✓											
CEE MC Decision & Compatibility with CWE			✓											
Study impact size of bidding zones				✓										
Review ATC method Nordic area				✓										
Information exchange CWE & CEE FB to other regions				✓										
Decision on FB or ATC cap. Calc. method for CSE, NEE, SEE					✓									
CWE FB MC implementation								✓						
Common grid model elaborated & applied - Coordinated European / Regional Capacity Calculation														★

★ TSOs regularly inform all NRAs and other stakeholders on all implementation steps

● Project milestones - CWE

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Study impact size of bidding zones				✓										
CWE FB MC implementation								✓						
Coordination of FB between CWE & CEE	...													

... Coordination between CWE and CEE is ongoing through expert groups

- Decision on path 1 already made in CWE region
- Implementation foreseen: Q2 2013
- Improved cooperation and information exchange on capacity calculation with CEE and other relevant regions

● Project milestones - CEE

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CEE FBA implementation path evaluation + decision			✓											
CEE MC Decision & Compatibility with CWE			✓	...Coordination between CWE and CEE is ongoing through expert groups										
Coordination of FB between CWE & CEE	...													

- Decision on which path (1 or 2) to follow in CEE region at the latest* by Q1 2012

* This decision will take into account the intentions of Hungary, Czech Republic and Slovakia to join the NWE market coupling by the end of 2012 (cf. the cross-regional roadmap for market coupling), market participants views, existing legal requirements, an efficient achievement of the full target model in 2014 or respectively an earlier implementation of it with CWE/NWE region together with the adjacent borders to be joined.

● Project milestones - other regions

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Review ATC method Nordic area				✓										
Information exchange CWE & CEE FB to other regions				✓										
Decision on FB or ATC cap. Calc. method for CSE, NE, SEE					✓									

- SWE, FUI and Baltic Regions already decided to stick to the ATC approach
- CSE, NE and SEE: decision expected at the latest in Q3 2012



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