



# Security of Electricity Supply

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- **Rationale and scope**
- **Generation adequacy**
- **System adequacy forecast**
- **Information exchange**

- **Security of electricity is among the key issues of the EU electricity market framework: Directives 2003/54/EC, 2005/89/EC, EC Green Paper, etc.**
- **Topmost priority for the CEER to address the security of electricity supply in a coherent and systematic way, from the regulatory perspective and taking into account all relevant impacts and dependencies.**

- CEER WG 2001-2004, CEER TF since 2007
- Between 2004 and 2007:
  - Entering into force of the Directive 2005/89/EC has set up specific duties and tasks related to security of electricity supply → a number of important questions will require further thorough regulatory consideration and action;
  - Entering into force of the Congestion Management (CM) Guidelines according to the Article 8 of the Regulation (EC) 1228/2003 → a cornerstone for the considerations of the electricity security of supply issues for both operational security and markets;
  - ERGEG Electricity Regional Initiatives since February 2006 → a number of priority issues to be dealt with at regional level, which have close relation to security of supply (e.g. balancing market, other market design related aspects, etc.)
  - After UCTE disturbance on 04. November 2006, ERGEG has identified a number of specific issues and changes in its Final Report ([www.ergereg.org](http://www.ergereg.org)) that are required in order to ensure both sustainable market developments and security of supply
  - The issue of electricity security of supply is addressed also in the discussions and preparation of the “3rd Package”

***The new CEER Electricity Security of Supply TF established in 2007 has been mandated by CEER to serve as the place for the discussion on all relevant aspects of the electricity security of supply.***

# Generation Adequacy

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- **Price signals → incentives for adequate generation capacity**
  - Access to the relevant information is of crucial importance to ensure generation adequacy in electricity markets characterised by a diversity of stakeholders.
- **Increasing use & importance of cross-border exchanges**
  - Detailed analysis and understanding how to consider generation adequacy from a supranational viewpoint.
- **Presently, no integrated European electricity market exists**
  - Only national considerations could lead to overcapacities
  - Sufficient installed capacity does not necessarily imply sufficient available capacity at all times and taking into account all exports and related obligations
  - A possibility to access the available generation capacity must be considered accordingly, i.e. the transmission grid infrastructure must be developed “in balance” with the development of generation capacities.

- Different national generation adequacy treatments must not negatively affect competition neither the functioning of the market
  - Market based demand flexibility can play a role to improve generation (and system) adequacy and avoid shortages
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- Recommendations on generation adequacy treatment will be submitted to public consultation at the end of 2008

# System Adequacy Forecast Improvements

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- **System adequacy assessments for each synchronous area (e.g. UCTE, Nordel) and by ETSO tend in their nature to be a compilation of national inputs rather than a common view of the European situation**
- **Expand the approach for system adequacy forecasting from the national to the regional level → comply with requirements of Article 4 of Directive 2003/54/EC and Article 7 of Directive 2005/89/EC**
- **TSOs, regulators, other authorities and market parties shall interact and cooperate in providing the forecast**
- **Discussion with Nordel and UCTE to identify possible improvements in current methodologies 01-09/2007**
- **Discussion with ETSO in autumn 2007, to discuss practical steps and possible common actions**



- **Presently no reliable, independent platform for information exchange on security of supply in the EU**
  - **Such a platform has been identified as a future action among others by the EC within its Green Paper**
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- **CEER will propose the concept and implementation roadmap for such a platform that aims to make available relevant information on the situation of power grids, energy consumption, generation and primary energy sources throughout the EU**