

Brussels, 15 May 2009



European Federation of Energy Traders

European Commission Workshop on
Balancing



**The European Federation
of Energy Traders (EFET)**



- Representing over 80 energy trading companies in over 20 European countries
- Foster the pan European energy trading in open, transparent and liquid wholesale markets
- Main Activities
 - Pro market liberalisation
 - Foster energy trading in Europe
 - Standardising of trading agreements

Model for cross-border balancing

- ➡ EFET supports the TSO-TSO model
- ➡ The TSO-TSO model simplifies selling of balancing services and makes sure that best offers will be used in case of no congestion

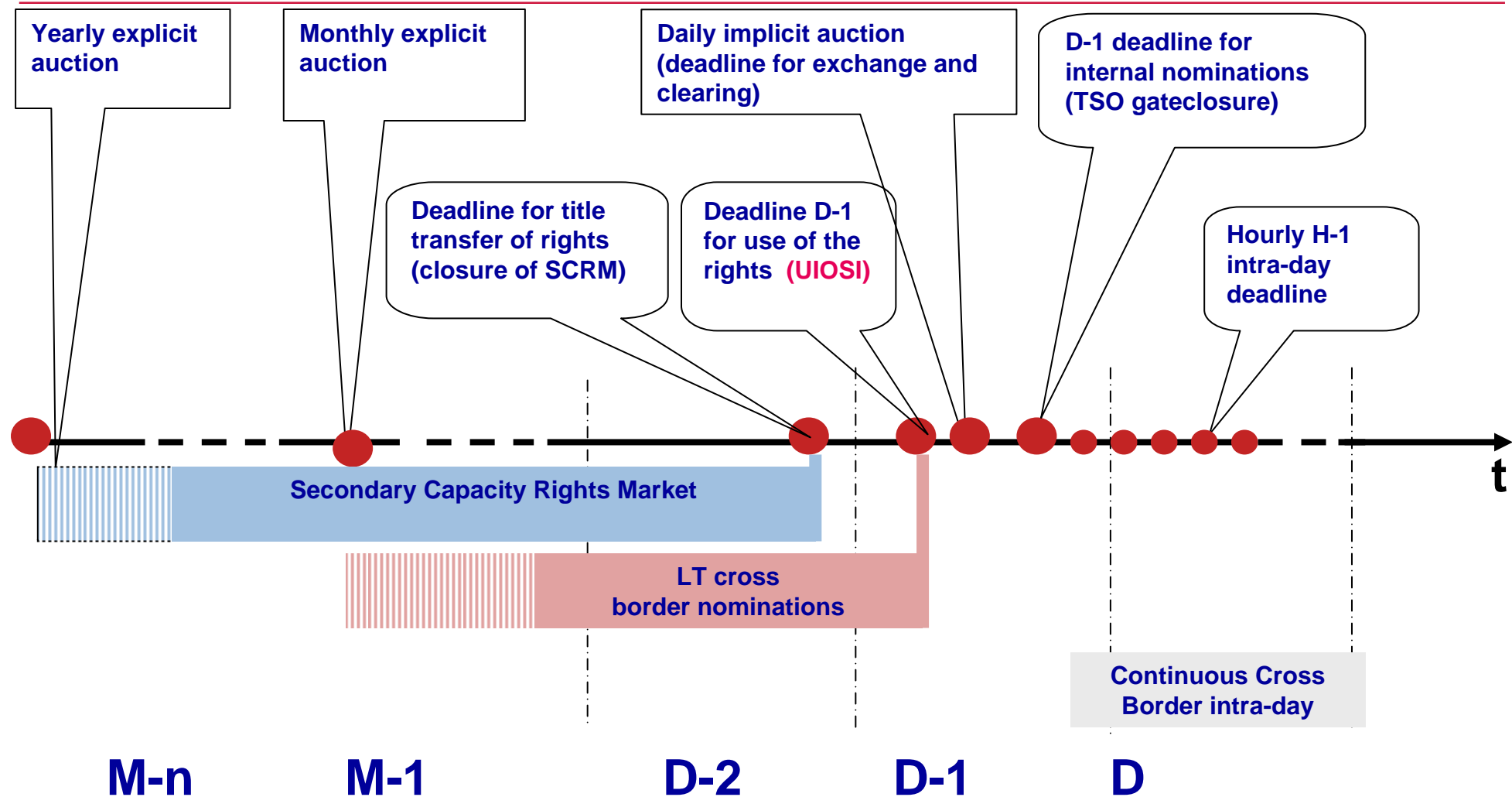
Market design for balancing

- ➡ Cross-border balancing should not be limited to manually activated reserves, but no reservation of cross-border capacity
- ➡ Balancing price should reflect the marginal cost of the actions taken by the system operator to balance supply and demand in operational timescales. Wherever possible, the price of actions taken purely to resolve location constraints should be omitted from the determination of price
- ➡ Intra-day trading should be facilitated to minimize balancing needs. Last gate closure being positioned as close to real time as practically possible

Interconnection capacity

- ➔ Interconnection capacity for balancing must be seen in the context of market integration for all timescales
- ➔ EFET strongly objects to the idea that TSO might reserve transmission capacity for balancing

Cross-border power trading timeline



Implementation

- ➔ Cross-border balancing should be implemented as soon as possible as a part of market integration for all time scales
- ➔ The primary operational reform must involve broadening and streamlining all national or regional nomination procedures, to facilitate a continuum between day-ahead trading and trading intra-day and to move the very last gate closure as close as possible to the real time of delivery.

Thanks for your attention



European Federation of Energy Traders

**Amstelveenseweg 998
1081 JS Amsterdam**

Tel: +31 (0)20 5207970
Email: secretariat@efet.org
www.efet.org