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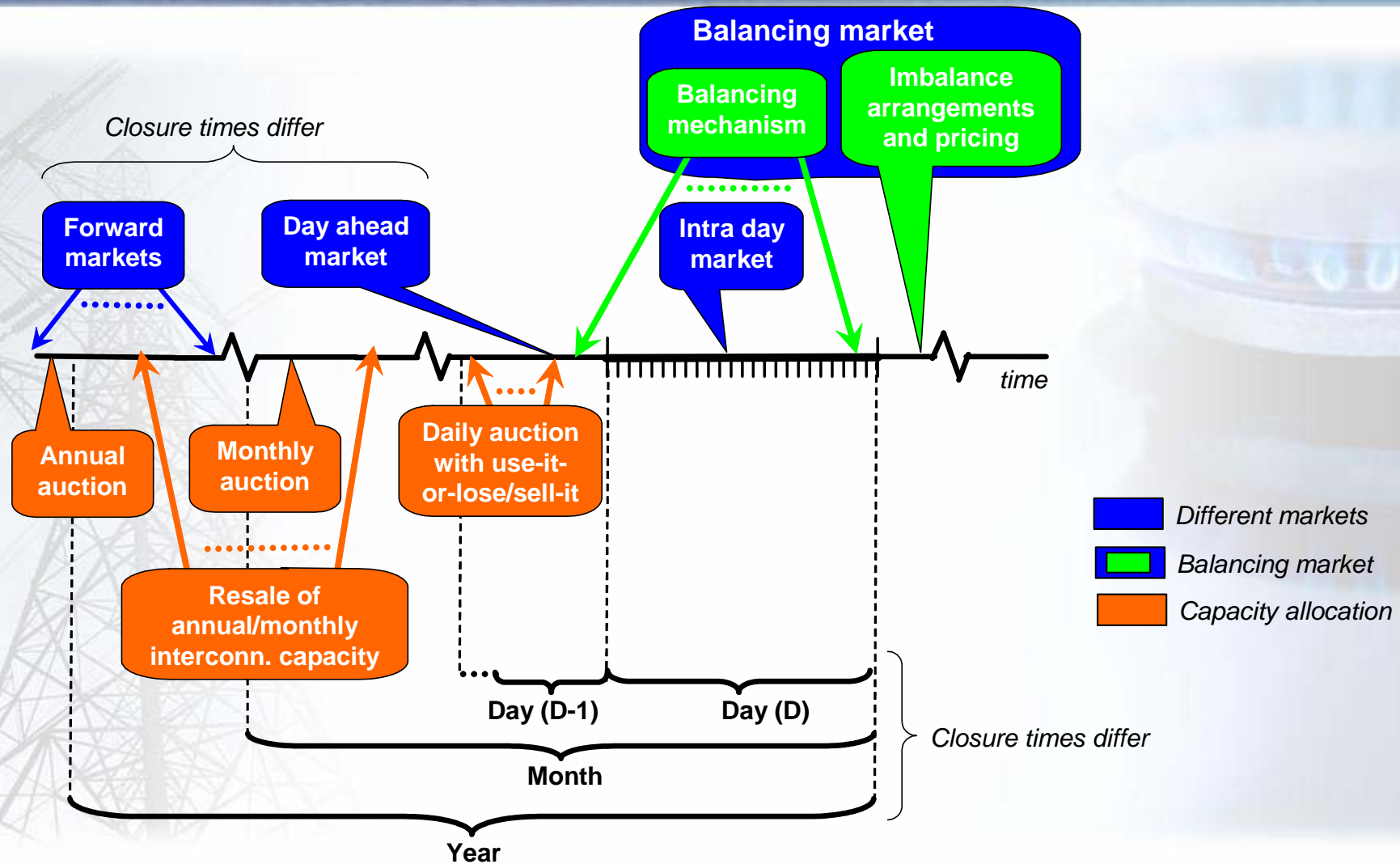


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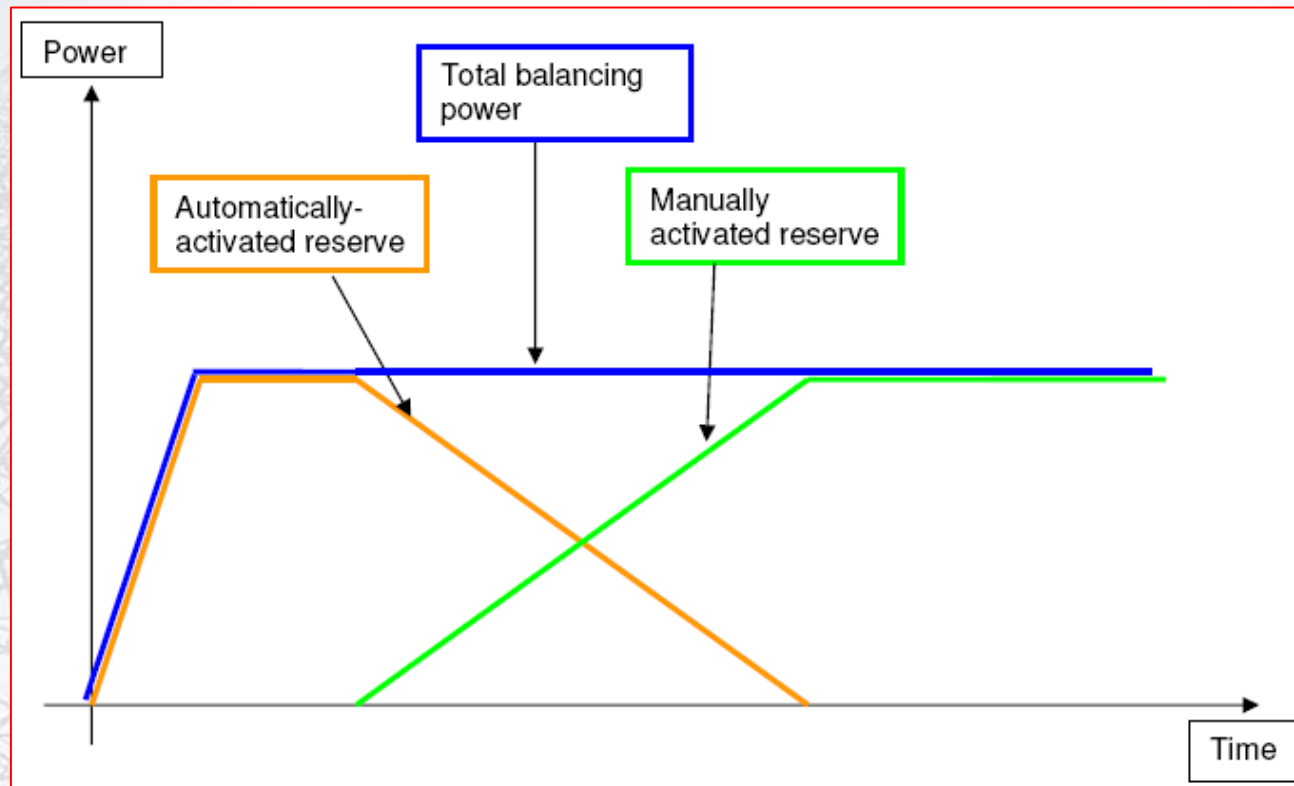
Cross-border Balancing Integration - Introduction

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Balancing interfaces



Balancing interfaces



Draft GGP for Balancing Markets Integration

Part I: General Considerations

- Functioning of balancing markets
- Benefits of and key principles for integration

Part II: Guidelines

- Access to interconnection capacity
- Contracted cross-border reserves
- Implementing cross-border balancing
- Design of balancing markets
- Transparency and monitoring

Reservation of interconnection capacity

- No reservation for cross-border balancing
- Exemptions:
 - Unexpected flows caused by primary control
 - Interconnections with no congestions

Charges on access to interconnection capacity

- Any charge for balancing energy prohibited
- Exemptions:
 - Interconnections under Article 7 of Regulation (EC) 1228/2003 upon request

Cross-border procurement of reserve capacity

- Possible only for primary control reserves or interconnections with no congestions
- Redistribution of primary reserves shall not exceed a relatively small percentage of control area requirements and shall be subject to affected TSOs' approval

Cross-border procurement of balancing energy

- TSOs shall implement mechanism as long as system security is not endangered
- Mechanism shall not discriminate bids & offers from local and neighbouring markets



GGP: Contracted reserves

Amount of reserve capacity

- Shall be set according to defined security criteria
- Amount approved by regulators

GGP: Models for cross-border balancing

Models:

- TSO – TSO approach shall be seen as the preferred solution
- TSO – Provider approach may be implemented in case of incompatible
 - gate closure
 - technical characteristics of balancing services

GGP: Transparency and monitoring

Transparency

- Information shall be structured, aggregated appropriately and made available to the public in a format which takes into account the needs of all market players

Public data

- Shall include balancing market rules (including mechanisms to allow cross-border balancing) and lists of data defined.
- Published in the local language and in English.
- Kept available at least for two years

GGP: Transparency and monitoring

Monitoring by regulators

- Regulators shall include cross- border balancing in their evaluation of congestion management methods, mentioned in Article 1.10 of the amended Congestion Management Guidelines annexed to Regulation (EC) 1228/2003
- Evaluation shall include:
 - implemented mechanisms and on-going projects.
 - highlight impediments to implementation and enhancement of cross-border balancing

Issues raised during public consultation

Model for cross-border balancing:

- Should TSO – TSO model with common merit order be the target model?

Market design for balancing:

- Should all kinds of reserves (automatically and manually activated) be included?
- Should AC, DC and merchant interconnections be considered in a different way?
- Pricing – preferred option (marginal pricing or pay-as-bid)?
- Imbalance settlement – preferred option?
- Should gate closure and characteristics of balancing products be harmonized?

Issues raised during public consultation

Interconnection capacity:

- Access to interconnection capacity – Should reservation of interconnection capacity be allowed? Which criteria should be applied?
- Charges - Shall there be charges for using interconnectors for balancing purposes?

Implementation issues:

- Should a target market design be identified and a roadmap / action plan be proposed?

Thank you for your attention!

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