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MARKET TRANSPARENCY

**Florence Electricity Regulatory Forum
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Benefits of Market Transparency

- **Promote market liquidity and enhance market efficiency**
 - To effectively risk-manage their positions and cater for demand and supply uncertainties
 - To take “make or buy” generation decisions
- **Facilitate new entry**
- **Engender market confidence**
- **Facilitate regulatory oversight**



Market Transparency – Key Principles

Relevant data should

- **Be available to all**
- **Be authoritative**
- **Be based as far as possible on common standardised definitions and formats**
- **Be issued at the same time** in a regional market
- **Be easily accessible**
- **Be based on best estimates in good faith**
- **Provide sufficient degree of confidence**



Market Transparency – EURELECTRIC list (I)

- ▶ Data relevant to **price formation** and **price modelling**
- ▶ Data selected fwg **a balanced assessment**
(need v. cost, confidentiality, aggregation level)

- Transmission and access to interconnectors
- Generation
- Load
- Balancing & reserve powers
- Wholesale market



Market Transparency – EURELECTRIC list (II)


Transmission and Access to Interconnectors

- Year-, Month-, Week- and Day-ahead forecast of available commercial capacity on borders
- Unplanned line outages + impacts
- Remaining available commercial capacity for day-ahead and intra-day allocation
- Total nominated capacity per hour
- Realised physical flows on borders per hour
- Long-term evolution forecast of the transmission infrastructure
- Etc.



Market Transparency – EURELECTRIC list (III) Generation

- **Installed generation capacity by fuel type**
- **Ex ante available generation capacity by fuel type**
 - information to be made available following a 2-phase-approach
- **Actual hourly aggregated generation by fuel type (ex post)**
- **Unplanned loss of generation capacity**
 - Ex post information by fuel type on price area level; 2-phase-approach
- **Water levels in hydro reservoirs**
- **Etc.**



Market Transparency – EURELECTRIC list (IV) Load

- Year-, Week- and Day-ahead aggregated forecast of load
- Actual system load in MW/h



Market Transparency – EURELECTRIC list (V) Balancing and reserve power

- Price and volumes for balancing power
- Aggregated capacity margin supply-demand
- System balancing status
- Actual use of secondary and tertiary reserve



Market Transparency – EURELECTRIC list (VI) Wholesale market

- Prices and volumes on power exchanges or for OTC standard contracts by brokers in the
 - Day-ahead markets
 - Intra-day markets
 - Forward and derivatives markets



Market Transparency – HOW TO CREATE A LEVEL PLAYING FIELD?

EURELECTRIC Paper provides a list of data to benchmark existing market transparency arrangements in order to

- 1. Harmonise transparency requirements within regional market**
 - 2. Progress towards harmonisation between regions**
- Mini-Fora : natural vehicle to create momentum for levelling up transparency standards**

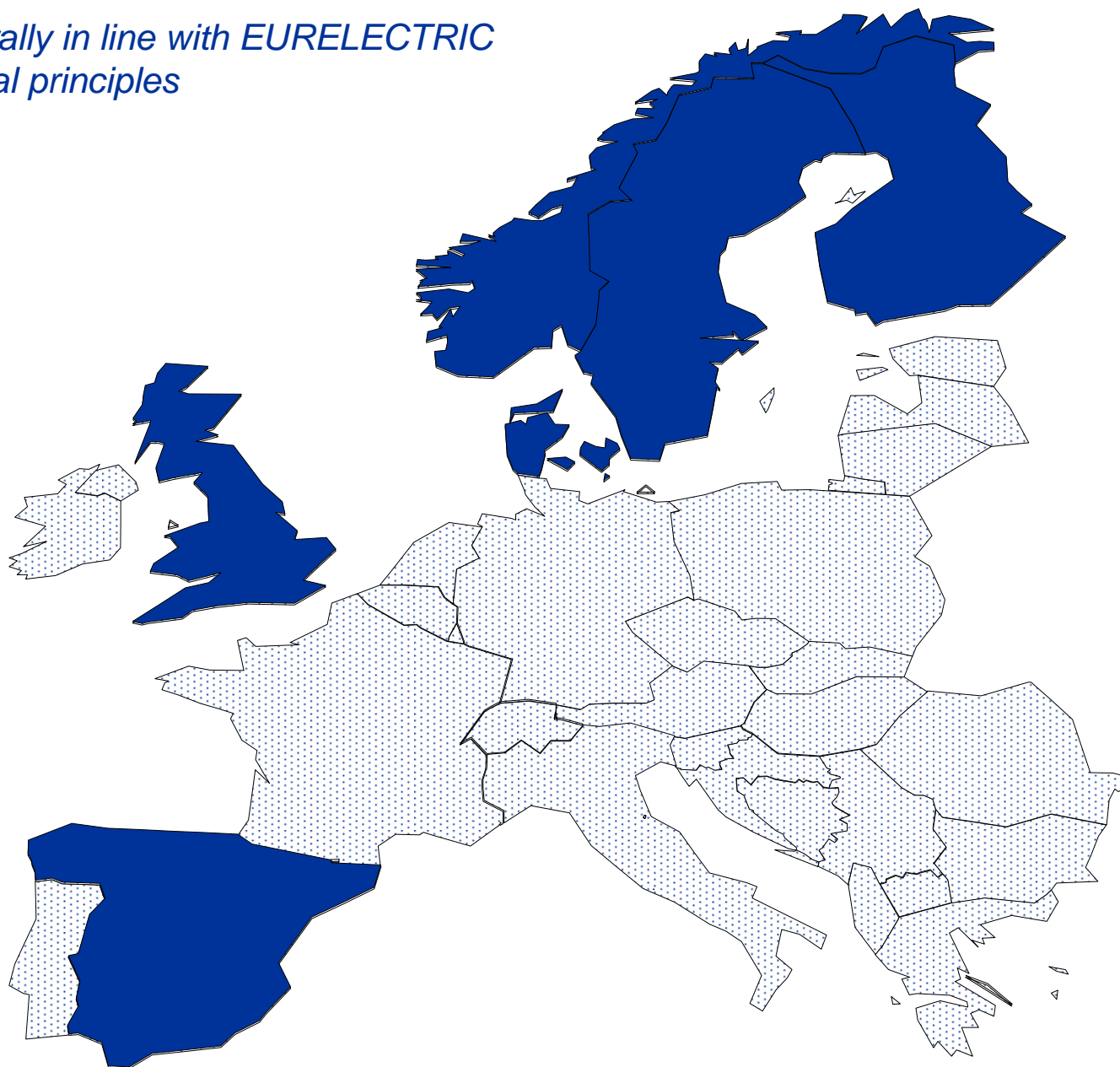


Implementation is ongoing ...



Implementation is ongoing ...

■ *Generally in line with EURELECTRIC
general principles*



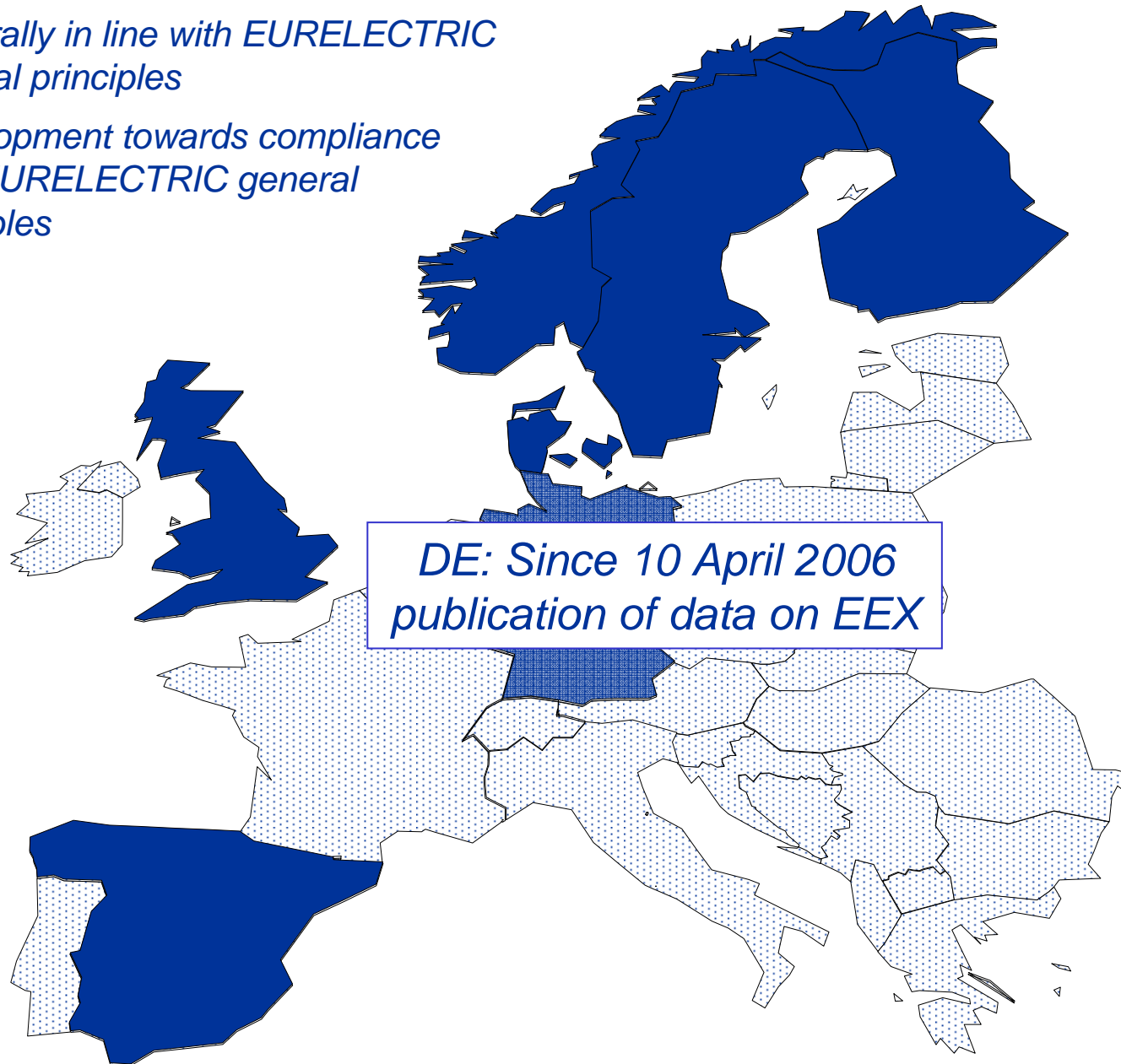
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
*Generally in line with EURELECTRIC
general principles*

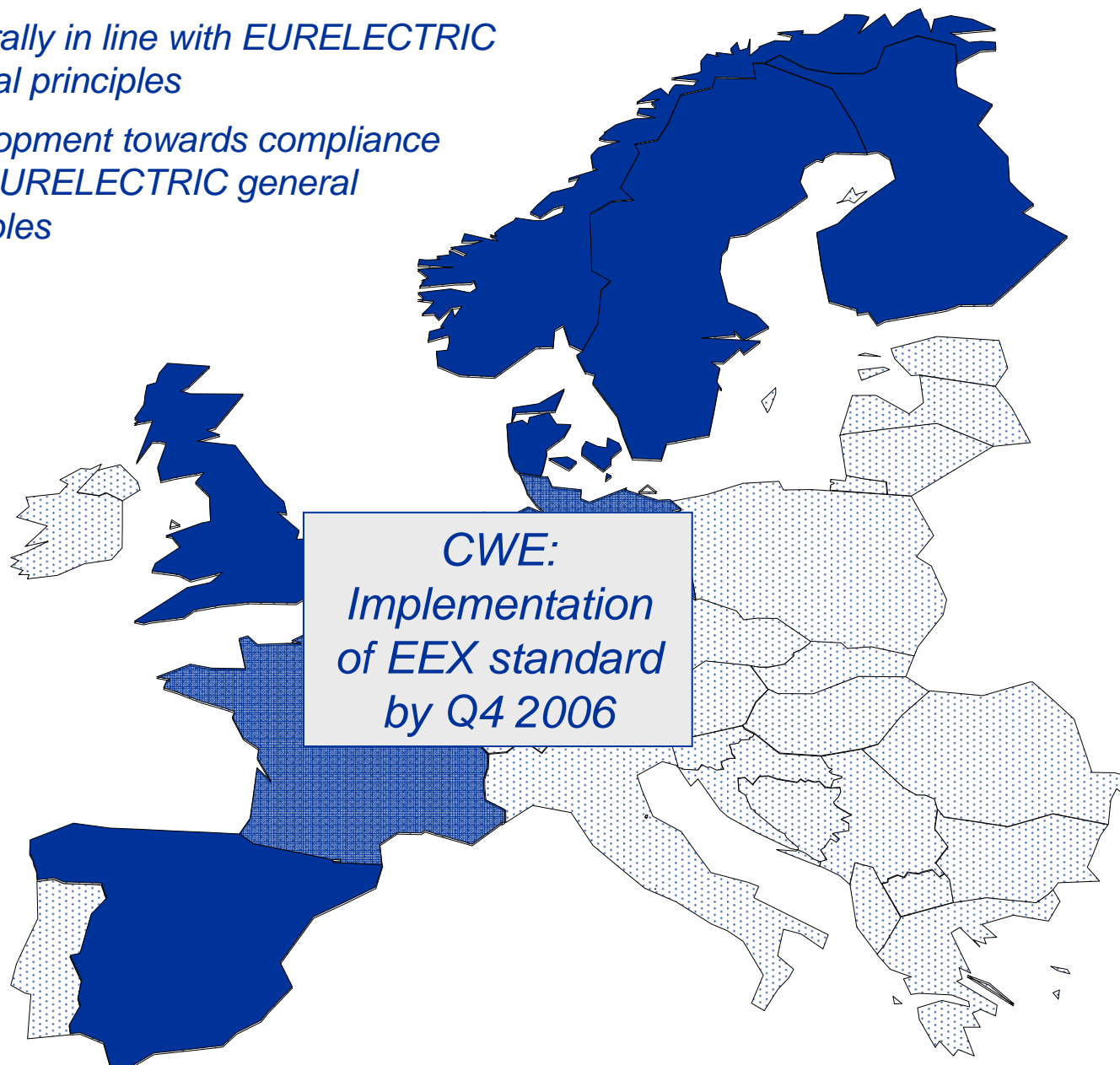


*Development towards compliance
with EURELECTRIC general
principles*






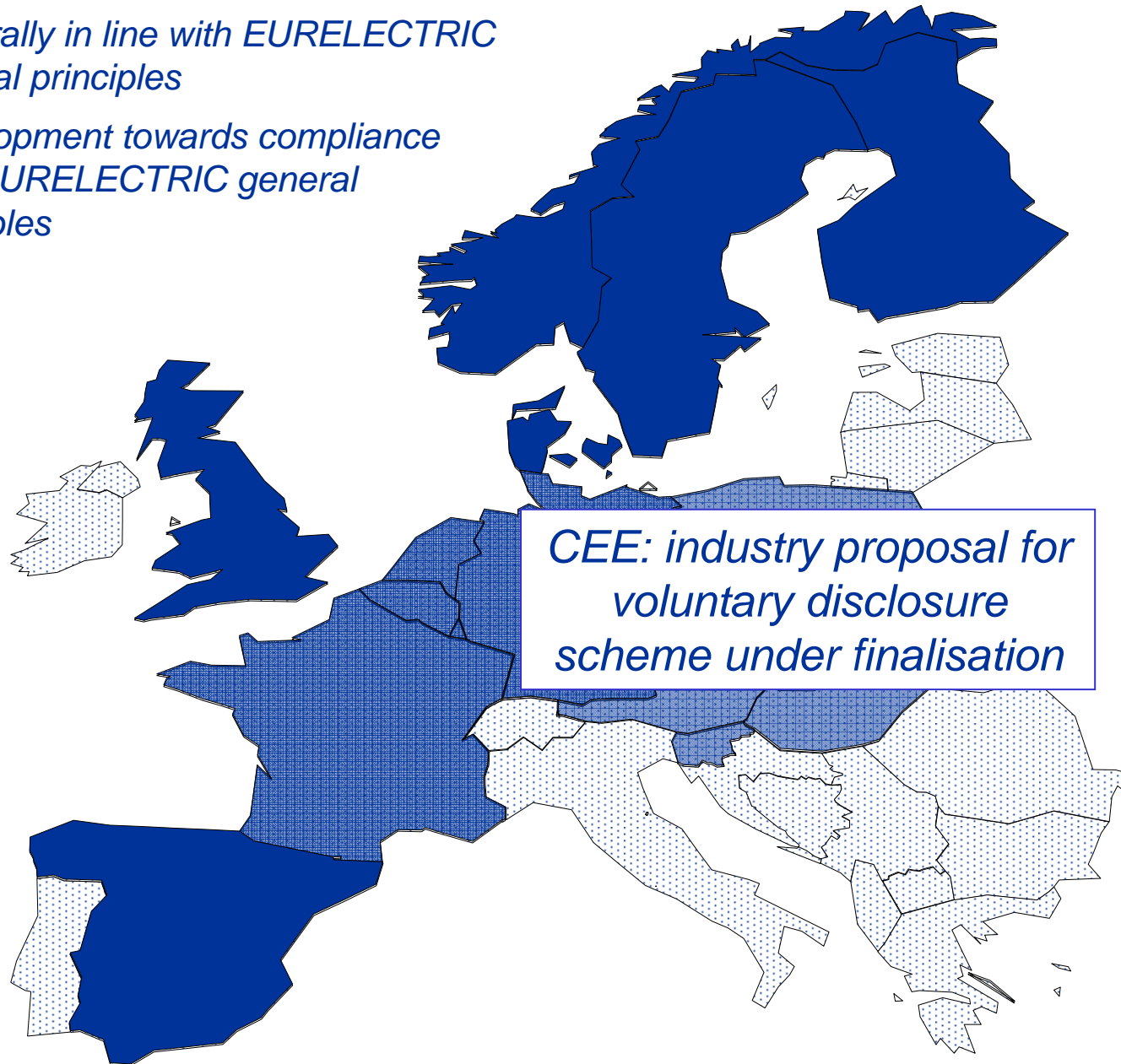
Implementation is ongoing ...

-  *Generally in line with EURELECTRIC general principles*
-  *Development towards compliance with EURELECTRIC general principles*



Implementation is ongoing ...

-  *Generally in line with EURELECTRIC general principles*
-  *Development towards compliance with EURELECTRIC general principles*
- 





Market Transparency

Implementation by market participants

GERMANY

- **4 major German generators started to publish generation data via EEX-website based on EURELECTRIC proposal**
 - Installed capacity
 - Daily available capacity
 - Net electricity generation (ex post)
- **Other German generators are following**
- **Discussion of publication of further data ongoing**



Market Transparency

Implementation by market participants

CENTRAL WESTERN MARKET (BE, DE, FR, LU, NL)

- **North Western European Market Parties Platform active in the pentilateral talks and representing EURELECTRIC in the Mini Fora**
- **Proposes progressive implementation of EURELECTRIC Paper starting with the creation of a level playing field by publication of generation data according to the EEX definitions by Q4 2006**



Market Transparency

Implementation by market participants

CENTRAL EASTERN MARKET (AT, CZ, DE, HU, PL, SK, SI)

- **EURELECTRIC participants committed to come up with a proposal for a voluntary reporting of generation data**
- **Discussion about proposal is ongoing in EURELECTRIC regional grouping**
 - Main discussion item: aggregation level vs. confidentiality of data



ERGEG draft guidelines on market transparency – Main EURELECTRIC comments

Converging views on the overarching principles

!!! BUT the list of data:

- Is driven by consideration of **market surveillance** rather than **facilitating market trading**
- Is thus **not always immediately of use** to the market
 - eg. aggregation by control area instead of price area
 - eg. ex ante generation schedule do not bring **any added value**
 - eg.** for price formation ex post generation data is only useful if aggregated by fuel type



Thank you for your attention.



Representing the European Electricity Industry