Summary of answers to the public consultation on governance of market coupling (closed 29.2.2012)

17.11.2012 DG ENER B2/MS

Organisation	Is the problem definition correct?	Is a legally binding guideline needed?	What is your preferred option?	Are the criteria for good solution correct?	Is the timeline sufficient?	Is the relation between the guideline and code correct?	How to share the costs between countries and parties?	Which aspects of market coupling require regulatory oversight?	Should the possible guideline cover both day-ahead and intra-day?
ACER	Ok	Ok	3., 4. as back-up.	1) Quality, 2) Change management, 3) extendability	Ok, co-ordination between network code and governance guideline important.	Ok	Non-discrimination, sharing weighted with consumption, incentives for efficiency.	All terms and conditions and material changes to them.	Differences to be reflected in a single guideline.
ACIE	Ok	Ok	3.3	Ok	Ok	Ok	Not as variable cost €/MWh	Price formation, distortions, transparency, anticompetitive behaviour, respect of market rules.	Ok
AEE	Not sure.	Ok	2 first, perhaps 3 later	Control and follow up of efficient market coupling missing.	Ok	Not sure.	Volume weighted.	Price formation, non-discrimination, governance costs, transparency.	No
APRIE	Ok	Ok	3.3	Ok	Ok	Ok	Proportional.	Price formation, anticompetitive practises, distortions due to specificities.	Ok
BDEW	Ok	Ok	3.1 or 3.3	Ok	Ok	Ok but also forward and balancing.	To be decided before implementation.	Firmness and compensations.	No
IFIEC CEFIC	Ok	Ok	4.	Quality and effficient change management.	NC	NC	Capacity owners should pay.	All aspects.	OK as intra-day to become monopoly and regulated as well.
CEZ	Not sure, it is important how flow based market coupling will be implemented.	Not sure.	1 or 2	Ok	Ok	Ok	Fair, transparent and non discriminatory with regulatory oversight.	Cross-border fees.	Ok, differences to be tackled but in the same guideline.
CZ	Ok	Ok	3.3	Ok	Ok, but the timelines of different organisations should be co-ordinated.	Ok	According to the responsibility and role, oversight by ACER and NRAs.		Ok
EON	Ok	Ok	2.	Quality, cost efficiency and extendibility most important.	System operation and balancing should be developed in paralleel	Ok	Congestion management costs from congestion rents.	Algorithm and access and customer orientation rules by power exchanges.	Ok
EDF Energy	Ok	Ok	3.3	Ok, but also interference with national rules.	Might be too aggressive from stakeholder point of view.	Ok	Balances sharing, incentives for power exchanges to reduce costs.	Control of monopoly aspects of market coupling.	Ok
EDF	Ok	Ok	3.3	Robustness as part of criteria	Governance input might come late for the network code.	Governance input might come late for the network code.	Economic rationale.	Both capacity allocation and price formation.	Ok
EDISON	Ok	Ok	3. or second best 2.	Robustness as part of criteria	Timeline is challenging.	Governance guideline should be an input for network code.	Through tariffs and congestion rents. Participating third countries should pay their share.	Capacity calculation and allocation, information exchange, algorithm, access rules to power exchanges.	Ok
EFET	Ok in general.	Ok.	2., 3.3 could serve medium term.	Quality most important.	Network code and governance guideline should be adopted at the same time. Netwok code on system operation and balancing should be develped in parallel.	It is important that the governance guideline the relation between TSOs and power exchanges.	Fair mechanism possibly overseen by regulators.	Wide regulatory oversight proposed.	Ok

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ELCOM		Ok	Efficient but flexible regarding local specificities, no new entity.	Governance guideline should facilitate inclusion of new markts.					
EMCC	Ok	Ok	4.	Ok	Ok		Sharing used in ITVC could be a model.	Regulatory oversight of the proposed Integrated Coupling Matcher is necessary and easy to organise.	Ok, but first day-ahead coupling.
ENDESA	Ok in general.	Ok	3.3 and 4 in some aspects.	Quality, change management, speed, ease and cost of implementation and operating costs most important.	Ok, but governance guideline should be developed as soon as possible.	Ok	TSOs and power exchanges should bear their own share.	Algorithm design and implementation and fallback procedures.	Ok
ENERGIE NL		Ok	4.						
ENTSO-E	Ok	Ok	4, 3.1 valid alternative.	Ok	Challenging but achievable.	There might be an overlap between the two documents, governance guideline should allocate the roles at a high level.	Cost born by the party causing them and being able to influence them, incentives and transparency important.	Any monopoly function.	Ok
EURELECTRIC	Ok, but not complete.	Ok	3.	Quality, regulatory oversight and extendibility most important.	Ok	Ok	Monopoly public service functions to be socialised through grid tariffs.	Relation and interplay between different entities, algorithm and access rules and customer orientation of power exchanges.	Ok
EUROPEX	Ok	Ok	2. or 3.3 as they are not very different in practise.	Ok	Coherent time-table for network code and governance guideline important.	Ok	Cost sharing between parties should be addressed locally.	Wide range of aspects.	Ok in principle.
EWEA	Ok	Ok	3.3, 4 as back-up.	Efficient RES integration could be included.	Ok for governance guideline, however it is questinable if the overall timetable is compatible with the 2014 target.	Reaching the 2014 target should be addressed.			Ok
Federation of Finnish Technology Industry	Ok	Ok	3.3	Ok	May be too ambitious.	Ok	Cost sharing should reflect the cost incurred to each party.		Ok
FSE	Ok, but not complete.	Ok	4.	Ok, additionally operational safety, transparency, intelligibility and influence for the stakeholders.			Capacity owners, for example in Lisbon treaty share.	All aspects.	
GME	Ok	Ok	3.3	Ok	Ok	Ok	Based on consumption and volumes traded, sharing between TSOs and power exchanges to be decided locally.	Capacity calculation, price formation, transparency, dispute resolution and cost allocation.	Ok
IBERDROLA	Ok, but not complete.	Ok	3.3 followed by 3.1	Ok, also transparency.	Ambitious but necessary.	Ok	Each party its own costs.	Algorithm and access rules and orientation of power exchanges.	Ok
IWEA	Not sure.	Ok	3.3	Ok, also transparency.	Ambitious but necessary.	Ok	Cost recovery for TSOs, competition between power exchanges.	Relation and interplay between different entities.	Ok

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NORDENERGI	Ok, but not complete.	Ok	3.2	Quality, regulatory oversight, operating costs and extendibility most important.	Ambitious but necessary.	Ok	Cost recovery for TSOs, competition between power exchanges.	Relation between different entities and access rules and customer orientation of power exchanges.	
Oberoende elhandlare	Ok	Ok	3., 4. in long run.	Ok	Ok	Ok		Efficient monitoring necessary.	
AT ENERGIE		Ok	3.3						
OMIE	Ok	Ok	3.3	Ok, reliability important.	Ok	Ok	Equally between member states or proportional but with minimum.	Wide range of aspects.	Ok
RWE	Broadly correct.	Ok	3.1	Ok, quality and tools for regulatory and stakeholder oversight.	Network code and governance guidelines to be adopted at the same time.	Ok		Wide range of aspects.	Ok, in intra-day transition and OTC are important.
SSE	Ok	Ok	2. or 3.	Ok, additionally innovation and flexibility.	Ok if adequate resources.	Ok	Proportional to the size of each market.	Monopoly functions, power exchanges if in dominant or monopoly position.	Ok
SWISSGRID	Ok	Ok		Ok	Very challenging.	Governance guideline should set high level principles.	Negotiated between parties.	Wide range of aspects as market coupling is a monopoly.	Ok
VATTENFALL	Ok, but not complete.	Ok	3.	Ok, additionally unbundling and transparency.	Ambitious.	Parallel work needed.	On a cost recovery basis.	Wide range of aspects.	Ok
VEMW	Too narrow.	Ok	4. If not, 2. or 3.	Ok.		Ok		Wide range of aspects.	Perhaps a lighter governance for intra-day.

Options: 1. Do nothing. 2. Guideline supporting coupling between locally diverse markets. 3. Guideline striving for harmonisation (3.1 through contracts, 3.2 through direct regulation, 3.3 combination of 3.1 and 3.2).
4. Guideline creating a new entity for coupling

Answers to the public consultation are published on http://ec.europa.eu/energy/gas_electricity/consultations/20120229_market_coupling_en.htm

AESAG input paper on governance from 16.5.2012 and the comments on it from EFET, ENTSO-E, Eurelectric and Europex are published on the same page.