

Follow up on the 1st Series of Mini Fora on Congestion Management (17.12.2004-15.2.2005)

29 August 2005

Agreed action	Target date	Follow up/ Comments
1. Explicit auctions		
Germany-France border	March 2005	<p>Until December 2004 no congestion existed between Germany and France.</p> <p>Due to some critical load flow situations at the end of the year 2004 the TSOs EnBW Transportnetze AG and RWE Transportnetz Strom GmbH realised the necessity to limit the transfer capacity between Germany and France in order to secure a stable system. As a first step they jointly implemented a pro-rata curtailment of declared schedules and decided to implement single sided explicit daily auctions at the German-French border from the beginning of April 2005 as a second step. From mid 2005 monthly and quarterly auctions will be provided.</p> <p>Furthermore the two German TSOs contacted the French TSO RTE and agreed that coordinated auctions will start at 1st January 2006 at this border.</p> <p>The German and the French regulator decided to cooperate in order to support the advancement of the congestion management at this border.</p>
France-Belgium border	2005	<p>A common public consultation between France, Belgium and the Netherlands has been launched beginning of July 2005.</p> <p>A common position of the three regulators should be publicly announced in October 2005.</p>

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		A coordinated explicit auction mechanism should be implemented for the 1 st of January 2006
France-Spain border	Mid 2005	<p>The first common project of both TSOs should be sent to the two regulators during the Summer 2005</p> <p>A coordinated explicit auction mechanism should be implemented for the 1st of January 2006</p>
2. Implicit auctions		
Market coupling between France, Belgium and Netherlands.	Mid 2005	The proposition of market coupling has not still been formally presented to the Regulators
Pilot project on a market coupling approach between Eastern parts of Denmark and Germany across the Kontek cable.	Autumn 2005	<p>On the 5th of October 2005, Nord Pool Spot will open a price quotation in a new bidding area, which will be called "KONTEK". Geographically, "KONTEK" will give access to spot trading in the Vattenfall Europe Transmission control area in Germany. The capacity at the Kontek cable that Elkraft System and Vattenfall AB have at their disposal; i.e. 550 MW in the northbound direction and 200 MW in the southbound direction will be handled by Nord Pool Spot. The new price quotation replaces the current monthly and daily auctions operated by Elkraft System.</p> <p>(see: http://www.nordpool.com/information/press_releases/2005-010.html)</p>
Meeting in Berlin regarding the benefits and costs of market	Mid 2005	An improvement of the market system by introduction of implicit auctions was discussed, as it is believed not only to secure that electricity pricewise does not

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coupling in the interconnectors between Denmark and Germany.		<p>flow “in the wrong direction”, but is also believed to secure further socioeconomic revenue on both sides of the German and Danish borders, and will have a positive effect on the security of supply.</p> <p>As concerns the Kontek connection the two involved system operators have, as a test, entered into agreement with Nord Pool on opening an exchange with the responsibility of utilizing the free transport capacity on Kontek. As concerns the connection between West Denmark and Germany an agreement is outstanding.</p> <p>Concerns on implementing implicit auctions were expressed from the German Regulatory Authority and several analyses have been initiated in order to evaluate these concerns.</p> <p>The parties decided to meet regularly, every half year.</p>
Starting of MIBEL	2005	It were created, by government indication, two working groups (one for regulators, the other one for network operators) to bring up to date the study of organization model of MIBEL, and the technical and organizational measures for the start-up of MIBEL.
Introduction of market coupling in the France-Spain border.	2006	modifications of the Spanish legislation are needed to implement a ETSO-EUROPEX like market coupling solution between the two Power Exchanges

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Market coupling between Netherlands and Norway through the Norned cable in 2008	2008	-
Open Market Coupling (OMC)	<p>First step before Easter 2005</p> <p>First results expected at the end of 2005</p>	<p>The Federal Network Agency has invited a study group consisting of all German stakeholders in order to identify and work on open questions concerning OMC, which aims at introducing implicit auctions for short-term capacity allocation while keeping the possibility for explicit auction for the long-term capacity allocation.</p> <p>The first meeting of the study group was held on 14th March 2005. Participants agreed on three main topics: Interdependence of auctions and need for coordination, specification of the concept of open market coupling and evaluation of different congestion management methods.</p> <p>During the second meeting on 3rd May 2005 more specific details of the different topics were discussed and specific tasks assigned for the way ahead.</p> <p>Another meeting took place on June 21, 2005. During this meeting, the participants decided to commission studies on the juridical, technical and economical issues regarding the implementation of OMC. First results are expected for the end of 2005.</p> <p>The results of the work done in the study group will come up for discussion on the EFG/ ERGEG –Level.</p>
Austrian TSO (APG) to co-ordinate	2005	Reports on follow-up meetings with APG on implicit auctions with a focus on the

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further information exchange regarding information exchange on implicit auctions in the Central Eastern Europe Region.		short-term allocation will be provided in autumn 2005
3. Intra-day and balancing markets		
Study of the European Commission on Intra-day and balancing markets, results available in autumn 2005 .	September 2005	Proceeding as planned.
Report to be completed by UK, French and Irish TSOs in collaboration with other interested parties which shall include consideration of improvements to the allocation of intra-day interconnector capacity.	Progress report September 2005 Final report December 2005	Proceeding as planned. The principal areas considered are as follows: a) Further development of intraday access arrangements. b) Greater flexibility in secondary trading of capacity rights. c) Implementation of UIOLI principles beyond day ahead stage. A user forum panel discussion initiated.
4. Coordination of congestion management		
Co-ordination of congestion management based on explicit auctions in the Central Eastern	Interim report in summer and	The Coordinated auction Task Force of 8 TSOs has been established. The main task is to launch co-ordinated explicit auction between all TSOs in the

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<p>Europe between TSOs. A co-ordinated method all involved TSOs shall be introduced in the beginning of 2006.</p>	<p>October 2005</p> <p>Method implemented beginning 2006</p>	<p>Central Eastern Europe for 2006 in line with the conclusions of the CEE Mini Forum. The basic principles, rules, results and current experience with co-ordinated auctions between 3 TSOs (CEPS, PSE, VE-T), which are in place since 1st January 2005, have been discussed on two meetings in Prague and Warsaw with the rest of TSOs in the region. The Task Force is preparing rules and Auction multilateral agreement to have documents harmonized with respect to the national legislations and rules.</p> <p>Possible development of the mechanism to incorporate flow based allocation algorithm based on PTDF coefficients and/or possible coordinated scheduling procedures have been discussed.</p> <p>Detailed requirements on coordination have been sent by the Regulatory Authorities from the CEE Region to the CEE TSOs in order to ensure common understanding and orientation towards the defined goals as set in the CEE Mini Forum conclusions.</p> <p>A follow up meeting has been held on 18 July 2005 in Vienna with the participants from the CEE TSOs, Regulators, PEXs and for the first time also the representatives of EFET have been invited. Whereas certain progress is noted, the final solution and system still need to be developed further and will need further refinement in 2006 (e.g. coordinated capacity calculation, etc.). To that matter a short-term roadmap has been agreed as follows:</p> <ol style="list-style-type: none"> 1. Until the 15th of September TSOs from the CEE Region will submit the document dealing with the 2006 allocation (TSO agreement and allocation rules) to the Regulators from the CEE Region

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		<ol style="list-style-type: none"> 2. Regulators from the CEE Region will have a follow-up meeting on 30. September 2005 in Bonn. 3. Until the 10th of October Regulators from the CEE Region will comment on that document also including EFETs perspective. 4. During the second half of October (assuming the agreement on 2006 allocation has been signed by the TSOs) national information “events” will take place in each country conducted by the TSOs with participation also of Regulatory Authorities to inform market participants on the solution. A common harmonized presentation will be given to all market participants in these events. 5. A meeting on the further work on the actual solution is preliminary planned for the 8th of November 2005 in Prague.
<p>Working group on a co-ordinated congestion management method for the year 2006 on the Italian borders.</p>	<p>2005</p>	<p>First meeting of the Austrian, Italian and French Regulators the 17th of May 2005</p> <p>Ongoing discussion on the public consultation(s) on the 2006 system by the mentioned Regulators</p>

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In the Baltic region TSO's and DC Baltija will prepare the assessment on impact of the closure of Ignalina and will come with proposals/methods used to overcome possible congestions.	2005	-
In the Central Western Europe a simplified network model should be carefully determined by the TSOs and their results should be made accessible to the regulators.	2005	Public consultation was launched on 05. July with DTE, CREG and CRE, based on all issues concerning congestion management, intra day balancing, market monitoring, etc. (de facto all the issues concerning markets convergence and common development). The three regulators intend to expand this activity to other countries (Germany), available from the websites in different languages.
5. Legal issues of congestion management		
Co-operation between regulators on merchant lines between Nordic countries and the rest of Europe.	2005	-