

Governance of market coupling



Governance project under AESAG

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Governance of market coupling:

Problem definition

- Expansion of market coupling (MC) is made with a voluntary approach but limits are already felt
- CACM FG and NCs are foreseen to define market coupling as a mandatory solution
- Process to join new countries and regions in market coupling requires clear rules
- TSO - PX relationship will need to be clarified
- Main regulatory issues related to an EU-wide MC need to be defined or clarified
- Many of the provisions necessary for a functioning MC are too detailed for having them in primary legislation

Governance of market coupling: Solution

- Minimum compatibility standards need to be defined
- Decision making and involvement of stakeholders require a timely, sound and fair decision making process
- Inclusion of countries with Power exchanges established by regulation is needed
- There will be a need to ensure that the arrangements are monitored and able to be modified over time

Governance of market coupling: Criteria for a good solution

- Solution supports efficient coupling including sufficient harmonisation of the electricity markets to be coupled
- All Member States can join
- Efficient decision making on rules and changes on rules
- Proper stakeholder involvement
- Reasonable costs
- Decisions are enforceable

Governance of market coupling: Options for impact assessment

1. Do nothing, follow voluntary approach
2. Establish a governance framework accommodating diversity of Member State market arrangements
3. Establish a governance framework with a high level of harmonisation of the TSO/Power exchange relationship
4. Establish a single Power exchange and a single TSO organisation to perform market coupling

Governance of market coupling: Questions for the public consultation

- Is the problem definition correct?
- Are the options the right ones?
- Which is your preferred option?
- Are the criteria for a good solution right?
- Is the proposed timeline sufficient?
- Relation of governance guideline to network codes?
- Should intra-day be included?

Governance of market coupling: Timing for guidelines

- Public consultation launched before summer 2011
- Proposal ready before end of 2011
- Formal adoption in summer 2012