



UPGRADING THE MARKET

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Balancing markets: Market Design Initiative should complement, not overlap with, the Balancing Guideline

Balancing Guideline

The EB GL defines elements and processes to be harmonised for integrated European balancing markets:

- Two-step approach to European Balancing market via Coordinated Balancing Areas
- Four processes (IN, aFRR, mFRR, RR)
- Standard Products
- Reservation of cross zonal capacity
- TSO-TSO model for procurement of balancing services
- Single Common Merit Order List
- Settlement

Integrated
Balancing
Markets
Effective Price
Signals
System
Resilience

Market Design Initiative

- **Prices should reflect power system scarcities** and cost-relevant factors such as adequacy, resilience and location.
- Member States to **avoid legal price caps** to and to promote acceptance of scarcity pricing in all markets
- EC to introduce **balance responsibility for RES** and **remove** mandatory **priority dispatch**
- ENTSO-E and ACER to propose new **AS and system services markets** (e.g. reactive power, transient and dynamic stability, inertia, etc.) to keep the power system stable and reliable at all times
- **Enable RES participation** to provide **balancing and ancillary services** compatibly with system needs, product specifications

Effective day-ahead and intraday markets for RES integration

Full and timely
implementation of
CACM

Ensure customers are free to
access all relevant markets
and enable aggregators'
participation

ACER and NRAs should put
full financial balance
responsibility on all market
participants to expose
market parties to system
adequacy price signals

ID GCT should allow market
participants' to adjust their
schedules as closely as
possible to real time while
respecting the time required
for guaranteeing system
security

To improve the investment
signal while mitigating the
risks for market participants,
new risk hedging products
should be introduced

Thank you for your attention

