

ACER



Agency for the Cooperation
of Energy Regulators

2.1 Upgrading the market

**ACER Position
Mr Mathieu Fransen**

**Florence Forum
3-4 March 2016**

ACER request swift adoption of the Electricity Balancing Guideline

- **ACER asks for fast adoption of the Electricity Balancing Guideline, which ...**
- **... will significantly speed up the integration of balancing market through:**
 - A consistent regional design through standardization of the main features of **products, pricing & algorithms** principles of the CoBAs
 - A set of legal targets for regional development - CoBAs
 - One CoBA for **Imbalance Netting** in Continental Europe
 - **Maximum 5 CoBAs** for exchanges of balancing energy
 - **a clear time separation** between intraday trading and TSO balancing
- **Regional balancing markets (CoBAs) must remain compatible:**
 - Standardisation of products/algorithms/pricing must come **first**, then...
 - ...all CoBAs must develop essentially the compatible solutions...
 - ...in order to facilitate their merger towards single EU balancing market

EMD should allow scarcity constraints to be reflected in the balancing energy price through a better pricing of reserves

- Ensure that price signals reflect scarcity and to create shorter-term markets which will...
- ... reward those who provide the flexibility through the **marginal pricing of Balancing Energy by allowing free price formation up to BE Gate closure time**
- Enhance market functioning through the co-optimizing procurement of balancing capacity and energy in short term markets

Suggested EMD policy measures:

- **Make mechanisms for intraday, re-dispatching and replacement reserve coordinated**
- **Move to dynamic sizing & procurement of Balancing capacity close to DA gate closure**
- Review the current structure of LFC control blocks in order to optimally size reserves; **consider regional sizing and procurement**

**Thank you for
your attention !**