

Coordination of national policies to prevent and mitigate crisis situations in the electricity sector

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Key Messages on the Regulation on Risk Preparedness

- EURELECTRIC recognises the importance of the proposed Regulation which addresses how MS should prepare themselves and co-operate with each other to identify and manage risks relating to security of electricity supply.
- EURELECTRIC supports the establishment of a common framework of rules on how to prevent and manage electricity crisis situations across Europe.
- EURELECTRIC supports the clear statement saying that measures for crisis management may only be used when all market-based instruments are exhausted.
- However, the Regulation gives little interest to the generators, suppliers and other markets participants. EURELECTRIC therefore considers that TSOs should be specifically asked to directly consult with them.
- A number of new entities are to be established or re-enforced. EURELECTRIC requires further information on:
 - who will take charge of verifying their establishment and relevant level of competence?
 - who will bear the corresponding costs and resources?
- Detailed rules on emergency arrangements have been agreed in the Emergency & Restoration Network Code. EURELECTRIC asks to ensure the two texts are fully consistent and do not overlap, as well as appropriate cross-references to the Code.
- Market based prevention should be the key focus and MS should be encouraged to take all possible provisions to avoid crisis situations: mitigation of the consequences of a crisis should be considered as a last resort solution.

Risk Assessment

Confidentiality

- ENTSO-E developed common methodology for identifying regional risks should take into account confidentiality requirements of some scenarios, such as for instance, the one related to malicious attack and other scenarios involving safety rules (Article 5).

ENTSO-E Consultation

- ENTSO-E to consult stakeholders in the development of a common methodology for assessing risks (Article 5) and for assessing short-term adequacy and week-ahead to intraday adequacy (Article 8). The generators, suppliers and other markets participants are not explicitly mentioned in the list of stakeholder to be consulted and EURELECTRIC believes that they should.

Timing inconsistency

- The Regulation asks national electricity crisis scenarios to be consistent with regional scenarios. They both have the same deadline (within 10 months of entry into force of the Regulation). This means there is a timing inconsistency as it does not allow time for the regional scenario to be used as input data for a national one (Article 7).

Risk-Preparedness Plans

ENSTO-E Consultation

- EURELECTRIC believes that power generators, suppliers and other market participants should be explicitly mentioned as key stakeholders to be consulted in the development of risk-preparedness plans (Article 10).

Additional Elements to content of Risk-Preparedness Plan

- An explicit definition of the steps and timeline to be taken by power generators in order to produce the energy required by the plan.
- Information on compensation schemes for such energy produced, notably in the case of recourse to solidarity measures and for other non-economic factors affecting generators (start-up times, non-optimised unit use) (Article 11).

Stress Tests

- Additional information requested on the procedures for carrying out annual tests of the risk-preparedness plans (simulations, real testing, cost)
- Importance to institutionalise “stress tests”. These could include, for instance, training exercises every second year for “what-if crisis situations”, blackouts, cyberattack simulations (Article 12).

Managing Electricity Crisis Situations

Compensation

- Compensation to be perceived by MS when acting and cooperating in a spirit of solidarity and offering assistance, should be determined upfront, or at least early in the crisis (Article 14).

Activation of non-Market measures

- In the event of a crisis, procedures and rules for suspension of market rules should be clearly defined and in line with the Market Interactions Chapter in the Network Code on Emergency and Restoration (Article 15).

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