

## Electricity Balancing Framework Guidelines

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Guideline Project

Florence Forum

5-6 December 2011

## Background and history

- **September 2009:** release of revised ERGEG Guidelines of Good Practice for Electricity Balancing Markets Integration (GGP-EBMI)
- **April 2011:** launch of the Framework Guideline project – creation of regulators' group
- **July / August 2011:** publication of open letter and establishment of an expert group
- **24 October 2011:** ACER workshop gathering feedback from stakeholders
- **January 2011:** first draft of the Initial Impact Assessment and Framework Guidelines (EBFG)
- **Next steps in 2012**
  - » Public consultation

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## Problem identification

**Lack of competition, risks to security of supply and high balancing costs are amongst the main concerns that are currently being raised across Europe.**

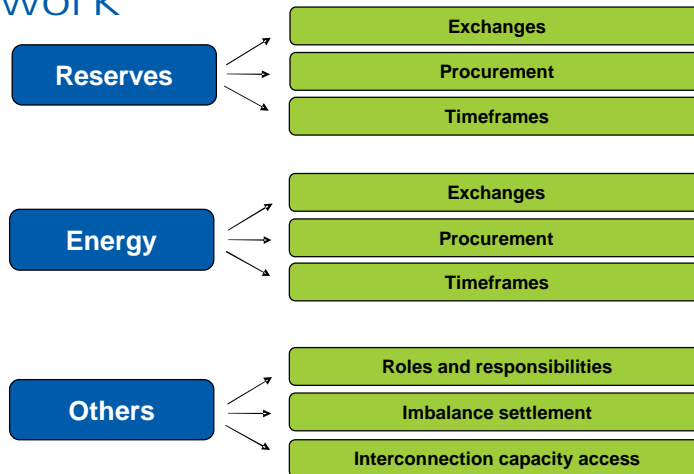
- Balancing markets are still highly concentrated (exercise of market power, barriers to market entry for new participants)
- The **increasing amount of variable generation** from renewable energy sources, concentrated in certain areas of the system, may put the security of supply at risk
- The development of cross-border balancing and the integration of balancing markets may help improve balancing market efficiency
- This wide variety of balancing market designs makes the process of their integration complex

**The EBFG aims to provide an adequate framework to foster the establishment of European integrated balancing markets.**

## Objectives and evaluation criteria

- » **Effectiveness**  
*to achieve the objectives:*
  - => **Security of supply**
  - => **Economic efficiency and competition**
  - => **Integration of renewables**
- » **Time of implementation**  
*pragmatically feasible, when?*
- » **Efficiency**  
*least cost and highest benefit*
- » **Coherency**  
*trade-offs across the economic, social and environmental domain*
- » **Sustainability**  
*adaptability in case of major external changes*

## Issues considered in the EBFG work



Procurement => pricing, market-based mechanism, ...

## Next steps

February – March 2012

Public consultation on IIA and FG

June 2012

Finalisation of the IIA and FG

Mid-2013

Finalisation of the Network Code on balancing by  
ENTSO-E

Thank you for your attention!



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