



Cross-regional roadmap for Capacity Calculation

XXI Florence Forum
Florence 5 December 2011

Background (1)

- Purpose
 - » to identify key milestones, both at EU and regional level, and accountabilities
 - » to increase consistency between and across the regions and thus efficiently pave the way for the completion of the Internal Electricity Market by 2014
- Cross-regional roadmap is based on
 - regional consultation and contribution to the European energy work plan;
 - Input from AESAG;
 - Stakeholder comments to earlier drafts;
 - Discussion at ACER coordination group for ERI;
 - FG on CACM

Background (2)

- Target model (FG CACM) by 2014
 - » TSOs can define either Available Transfer Capacity (ATC) or Flow-based (FB) method
 - » FB allocation method considered to be preferred to ATC method in highly meshed grids / highly interdependent grids for short term capacity calculation
 - » Common grid model (one for EU or at least per synchronous area) to be used
- Interdependence with Market Coupling method and algorithm
 - » Coordination between FB and MC implementation needs to be ensured

3

Background (3)

- Coordination between TSOs will be key
 - » TSOs of different regions will need coordination regarding their capacity calculation in all cases: when two regions both use the same method (FB or ATC) but also in cases where one region conducts FB and the other region ATC calculations
- Different paths possible to get to FB method
Coordinated capacity calculation assumed for both paths
 - » Path 1: MC before FB
 - » Path 2: FB before MC

4

Background (4)

- Agreed requirements to be fulfilled in order for a region to switch to FB:
 - » Coordinated principles and data
 - » No decrease in Security of the System
 - » Increase in Social welfare
 - » Enough time to adapt for market participants
- Work and implementation of FB Capacity calculation and market coupling need to be closely coordinated
 - » Implementation steps on both issues should support full achievement of the target model as soon as possible
 - » In any case market coupling projects necessitate coordinated capacity calculation

5

Cross regional roadmap for capacity calculation

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Procedural steps			μ	μ		μ		μ		μ		μ		μ
CEE FBA implementation path evaluation + decision			•											
CEE MC Decision & Compatibility with CWE			•											
Review ATC method Nordic area				•										
Decision on FB or ATC cap. Calc. method for CSE, NEE, SEE						•								
Study impact size of bidding zones							•							
CWE FB MC implementation							•							
Information exchange CWE & CEE FB to other regions				...										
Common grid model elaborated & applied - Coordinated European / Regional Capacity Calculation														★

μ TSOs regularly inform all NRAs and other stakeholders on all implementation steps

Project milestones - CWE

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Study impact size of bidding zones							●							
CWE FB MC implementation								●						
Coordination of FB between CWE & CEE	...													

... Coordination between CWE and CEE is ongoing through expert groups

- Decision on path 1 already made in CWE region
- Implementation foreseen: Q2 2013
- Improved cooperation and information exchange on capacity calculation with CEE and other relevant regions

7

Project milestones - CEE

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
CEE FBA implementation path evaluation + decision			●											
CEE MC Decision & Compatibility with CWE			●											
Coordination of FB between CWE & CEE	...													

...Coordination between CWE and CEE is ongoing through expert groups

- Decision on which path (1 or 2) to follow in CEE region at the latest* by Q1 2012

* This decision will take into account the intentions of Hungary, Czech Republic and Slovakia to join the NWE market coupling by the end of 2012 (cf. the cross-regional roadmap for market coupling), market participants views, existing legal requirements, an efficient achievement of the full target model in 2014 or respectively an earlier implementation of it with CWE/NWE region together with the adjacent borders to be joined.

8

Project milestones - other regions

Project milestones	2011		2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Review ATC method Nordic area				●										
Decision on FB or ATC cap. Calc. method for CSE, NE, SEE						●								
Information exchange CWE & CEE FB to other regions				...										

- SWE, FUI and Baltic Regions already decided to stick to the ATC approach
- NE and SEE*: decision expected at the latest in Q3 2012
- CSE: decision expected at the latest in Q4 2012

* For Romania and Bulgaria, the decision will be taken in Q4 2012

9

Disclaimer

ACER and the Electricity Regional Initiative coordination group have completed the elaboration of a European Energy Workplan 2011-2014. The European Energy Workplan consists of four cross-regional roadmaps which identify milestones and responsibilities for implementation of a common European approach to cross-border electricity trading by 2014.

To agree the four cross-regional roadmaps, the seven electricity regions developed a regional input to the European Energy Workplan. The seven regional inputs were developed in discussion with TSOs and member states and consulted on with regional stakeholders. The regional inputs explain each regions contribution to completing the internal electricity market. The four cross-regional roadmaps have been developed and agreed on the basis of the regional inputs.

As a result of this process the cross-regional roadmaps and regional inputs may not be completely consistent. However, **ACER and the National Regulatory Authorities have agreed that the European Energy Workplan consists of only the four cross-regional roadmaps. This means that, if any inconsistency remains between the seven regional inputs and the four cross-regional roadmaps, stakeholders should consider that the cross-regional roadmaps prevail.**

10



www.acer.europa.eu