



CEER Position on the UCTE Operational Handbook

**11th European Electricity Regulatory Forum
Rome, 2004-09-17**

Agenda

- Electricity market and operational security
- Adaptation and refinement of security rules
- Applicability

Electricity Market & Security Rules Evolution

Rationale behind

- Increased **cross-border trading**
- **Congestion** & congestion management
- **Unbundling**
- Limitations of the „old“ rules (e.g. 2003 disturbances)
- Binding **legal and organisational aspects** in the competitive market environment
- **Compatibility** of the security rules between the control areas in the same synchronous zone (and in the IEM in the future)
- ...

Actions Ongoing

- IX and X Reg. Forum: **request by the Forum** to UCTE to develop a set of security and reliability rules that meet the needs of IEM
- Development of the „**Operation Handbook**“ initiated by UCTE -> progress reports, information: www.ucte.org
- The OH = a key **cornerstone** for the market development and security of supply
- **CEER welcomes the ongoing work** and intends to actively, in coordination with the EC approach the UCTE to discuss all matters of interest
- Special attention to be paid to:
 - ◆ Clear definition of **responsibilities**
 - ◆ Legal issues and legally **binding nature** of the „new“ rules in the competitive market environment
 - ◆ Effective **implementation**
 - ◆ **Assessment** and **monitoring**



History, Present and Future Developments

- Presently covered in OH policies:
 - ◆ „Load-frequency control“
 - ◆ „Scheduling and accounting“
 - ◆ „Operational security“
- > **„Operational security“ needs further elaboration:**
 - ◆ Harmonization of TSOs' practices, implementations, etc.
 - ◆ Dependencies on regulatory framework
 - ◆ Detailed definition of processes to be implemented
- Grid security requirements and market requirements to be considered together
- > (presumably) Some degree of **harmonization** of national regulatory framework (e.g. grid codes)

Information, Responsibility, Applicability

- **Information exchange** between TSOs is of utmost importance, including also **formal agreements on information exchange**
- Clear definition of **roles and responsibilities**
- > In the market, there are **more bearers of responsibility** for security of supply than it was the case in the monopoly
- Technical issues and organisational aspects on their implementation form the central part of the OH
- > Beyond that, the binding character of the „new“ rules, compliance with the regulatory frameworks, enforceability and operationalization need to be ensured

CEER Views & Conclusions

- Terms and conditions for the application and **exception** from the rules need to be carefully considered
 - > „Multi-Lateral Agreement“ (MLA)
 - > TSO responsibilities and liabilities tbd in MLA too
- Independent assessment of the implementation
- Role of regulators

CEER intends to work in close cooperation with the EC, UCTE, NORDEL and other regional TSO organisations to address the issues mentioned and help create a sound, coordinated framework of security and reliability rules for the IEM