

## CEER position paper

### Transparency of network access and system development

1. The CEER observes that European electricity markets are still lacking transparency to a large extent which constitutes an important obstacle to free trade and efficient competition. Furthermore, at present, the degree of transparency of European electricity markets is very heterogeneous. This situation makes cross-border trade very intricate for market parties, may result in poor and inefficient use of the scarce interconnection capacities and may thus lead to unfair competition between European producers and traders. Therefore, *the CEER considers it of extreme importance that adequate information related to network availability, network access and network use will become available to all market parties.*
2. As the ability to freely trade electricity between member states is a major requirement for a healthy evolution of the European electricity market but in the medium term congestion will remain a major obstruction to cross border trades, the CEER considers that the issue of transparency of all the processes involved in cross border trade needs special attention, including transparent wholesale markets at both sides of the congested interconnection.
3. Transparency of the **load** on each member state's grid is important information for cross border trades as it enables market parties to adapt their demand of access to the interconnections. It is therefore a crucial condition for the efficiency of congestion management methods and of competition within the European Union. This is why the CEER urges each TSO to publish as a minimum the following information on the system load of its grid :
  - actually measured system load by market time unit just after real-time;
  - day ahead forecasts of system load by market time unit,
  - week ahead forecasts of system load by day (segregating at least peak and off-peak hours).
4. Information on the longer term evolution of the **transmission infrastructures** is also important for investors, consumers and market actors. It contributes to the long term efficiency of their economic decisions. Therefore, each Member State should ensure that a detailed review of the forecasted investments on the high voltage grids should be published. Additionally, the TSOs should publish the impact of such investments on the availability of the transmission capacity in the national grid and on international tie lines. This information should be available for each of the seven coming years.

5. If this information is not published elsewhere, the TSOs should publish, to the best of their knowledge, all information on the **generation capacity** to be installed in each of the five coming years, which is also an important condition for market players who envisage international trade within the European Union in the long term. This information shall be published distinguished by primary energy source and, if relevant, by region. Where this information is not available, other information relevant for investments in generation (e.g. network access costs and longer term price signals) should be published.
6. The CEER stresses again that the TSOs should provide non-discriminatory and transparent standards which describe which **congestion management** methods they will apply under which circumstances. These standards should include the rules and criteria for taking corrective real-time measures by TSOs for solving network and system problems (such as curtailment), as they affect the cross border capacity. Such standards should be described in open and public documents.
7. The CEER also stresses, as already stated in the Guidelines on Congestion Management agreed at the Sixth Meeting of the European Electricity Regulation Forum held in Florence at November 9–10, 2000, that *“the TSOs should publish a motivated general scheme for calculation of the total transfer capacity and the transmission reliability margin based upon the electrical and physical realities of the network”*. The CEER considers it important that this general scheme shall be elaborated following the principles of quality assessment, notably in consideration of eventual disputes concerning denials of use of, or access to, the interconnection.
8. Furthermore, the Guidelines on Congestion Management state that *“the TSOs should publish all relevant data concerning the cross-border total transfer capacities.”* The relevant data should be defined for each specific network situation. In general, all information (not disclosing commercial sensitive information) must be provided to market parties so that they can understand the allocation process, the congestion management method and the functioning of the electricity markets, and they are in a position to assess the probability of having access to any interconnection.
9. At the interconnections where contracts which predate the EU directive 96/92/CE have a priority right of access, the total amount of these contracts, the daily values of the total capacity taken by them as well as its provisional evolution in the coming years should be published unless prohibited by law.
10. More specific, the CEER recommends that at least the following information should be jointly published by the TSOs involved according to the best possible forecast:
  - monthly: month and year-ahead forecasts of the transmission capacity available to the market taking into account all information available to the TSO at the time of the forecast calculation (e.g. impact of summer and winter seasons on the capacity of the lines, maintenance on the grid, availability of the production units etc.);
  - weekly: week-ahead forecasts of the transmission capacity available to the market for each market time unit, taking into account all information available to the TSO at the time of calculation of the forecast, such as weather forecast, availability of the production units etc.;
  - daily: day-ahead forecasts of the transmission capacity available to the market for each market time unit (which may be an hour or a quarter of an hour);
  - total capacity already given out by market time unit and all relevant conditions under which this capacity may be used (e.g. auction price, obligations how to use the capacity, etc.), so that the remaining capacity is revealed;

- total nominated capacity by market time unit immediately after the moment of nomination;
  - as soon as possible after real-time, actual commercial transactions by market time unit, including a description of the effects of any corrective actions taken by the TSO(s) (like curtailment) for solving network or system problems.
11. The CEER stresses that relevant information should be available for the market in due time for the negotiation of all transactions (such as the moment for negotiation of year supply contracts for industrial customers or the moment when bids have to be sent into organized markets). All parties responsible for providing this information should deliver all data at such times that efficient and timely publication to the market is possible.
  12. All information published by the TSOs should be made freely available in an easy way. Publication on the internet, provided there is sufficient access to the server where the information resides, complies with this criterion. All data should also be accessible in an adequate and preferably standardized format, to be defined in close cooperation with market parties. This includes information on past time periods with a minimum of two years, so that new market entrants also have access to this data.
  13. TSOs should always publish *ex ante* the best forecasts possible given the information available to the TSO. When forecasts are published by the TSOs, they should also publish *ex post* the actual values of the corresponding data so that the grid users can make their own assessment of the quality of the forecasts.

September 30, 2002