

ACER



Agency for the Cooperation
of Energy Regulators

Electricity Balancing Framework Guidelines

Charles Verhaeghe
EB FG Project Team

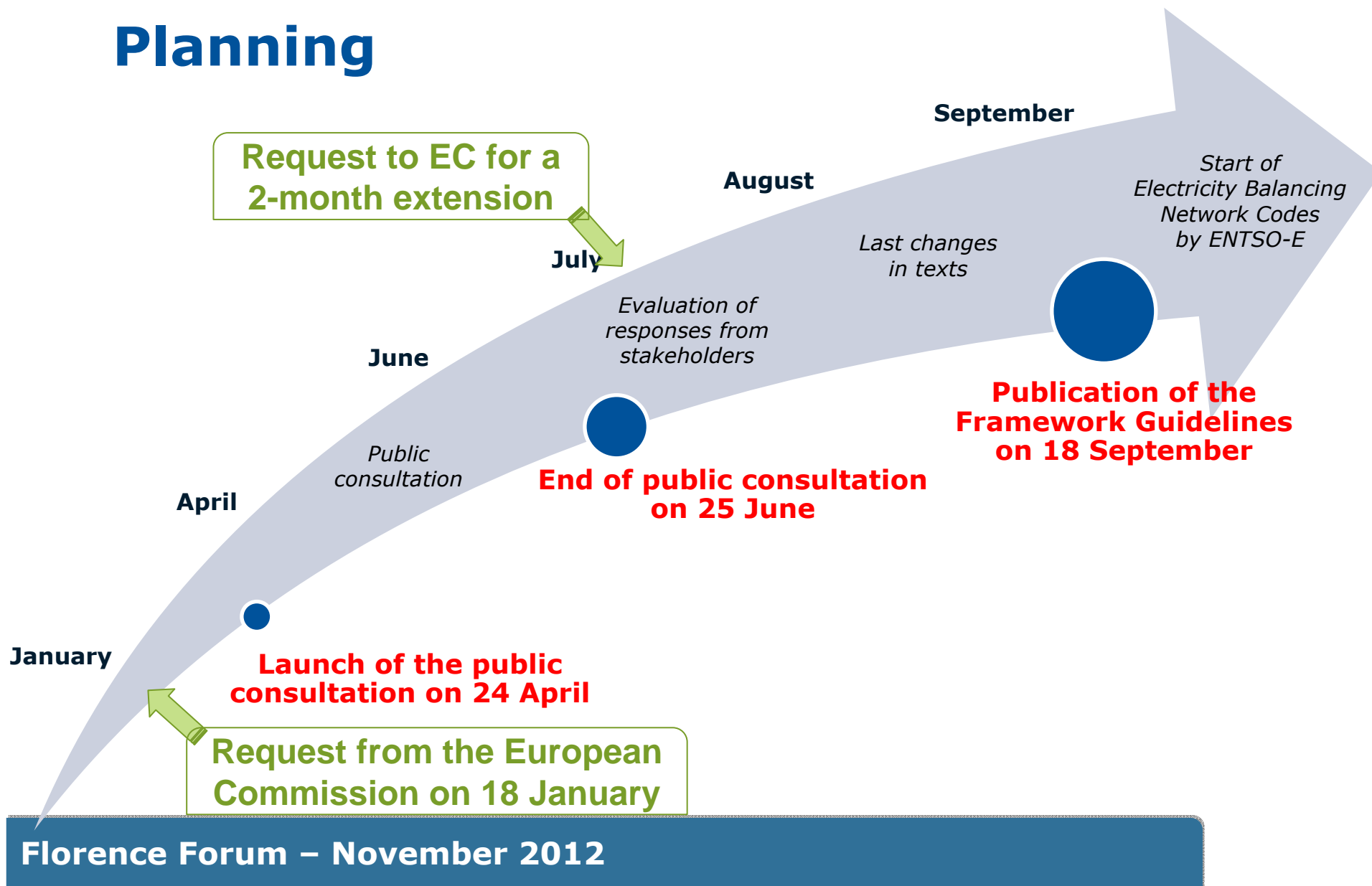
Florence Forum

20-21 November 2012

Scope and objectives

- Letter from EC on 18 January 2012:
 - Roles & responsibilities, in particular in order to support the involvement of consumption
 - Harmonised technical specifications to facilitate offering balancing services across areas
 - Harmonised and non-discriminatory framework for imbalances
 - Rules for the use of cross-border capacities
- Objectives:
 - Increase social welfare and competition
 - Maintain security of supply
 - Facilitate integration of renewable energy sources

Planning



Key requirements of the FG

- A clear and ambitious **target model** to integrate balancing markets
 - A TSO-TSO model with common merit order
- A high-level **roadmap** to pave the way for implementation
 - 2 years for the first steps (imbalance netting, common merit order for replacement reserves)
 - 6 years for full implementation of the target model

Key requirements of the FG

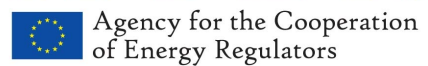
- **Strong but flexible harmonisation** to foster efficiency and integration
 - Pricing of balancing energy (based on marginal pricing *a priori*)
 - Pragmatic standardisation of products (local specificities allowed) considering demand and RES participation
 - Consistent incentives through harmonisation of the main features of imbalance settlement and no special treatment for RES

Key requirements of the FG

- **Improved coordination** between TSOs for the reserves
 - Coordinated sizing of reserves
 - Exchanges of reserves allowed
 - Sharing of reserves encouraged
 - Reservation of cross-border capacities only if cost-benefit analysis is positive

Conclusions and next steps

- Feedback from stakeholders during the workshop and public consultation
 - **Favourable opinions from market players**
 - **Concerns by ENTSO-E**
- Ambitious but realistic target model
 - **Key harmonisation** needs identified as well as a **step-by-step approach** for implementation
 - **Discussion with stakeholders** shall continue
 - Concrete ambitious projects shall be initiated to gather experience and meet the target

The logo for ACER, consisting of the letters 'A', 'C', 'E', and 'R' in a blue, serif font, spaced out.The full name of the agency: 'Agency for the Cooperation of Energy Regulators'. To the left of the text is a small icon of the European Union flag (a circle of twelve gold stars on a blue background).The text 'Thank you for your attention !' is centered on the page in a bold, white, sans-serif font. The background of the entire slide is a close-up, slightly blurred image of the European Union flag, showing the blue field and the golden stars.