CFAI du 11 mai 2007

Ordre du Jour

1- *Approbation du CR du 02/02/2007 et retour sur la consultation de RTE à la suite de la CFAI du 02/02/2007*

2- *Points sur les incidents enchères depuis février 2007*

3- *Point sur le plan d'action des régulateurs*

- *consultation lancée par le régulateur*
- *extension du market coupling*
- *harmonisation des enchères de long terme*

4- *Evolution de la gestion des contreparties et mise en place du format ESS*

5- *Espagne: échange sur le papier EFET et point sur le marché secondaire*

6- *IFA*

7- *REX sur le marché secondaire sur l'interconnexion France-Allemagne.*

Point 1: retour de la CFAI du 02/02/2007

- *Approbation du CR*
  - *Modifications: Intégration des remarques d'Iberdrola sur la répartition des capacités.*
- *Points sur la consultation des utilisateurs par RTE suite à la CFAI du 02/02/2007*
  - *Faut-il que RTE propose au régulateurfrançais un passage au UIOSI plutôt que de mettre en place le « full transfer » proposé par la CRE ou de rester sur le marché secondaire en J-2*
    - *3 utilisateurs ont répondu en faveur de la mise en place du UIOSI ou de la combinaison marché secondaire puis UIOSI pour l'horizon J-1.*

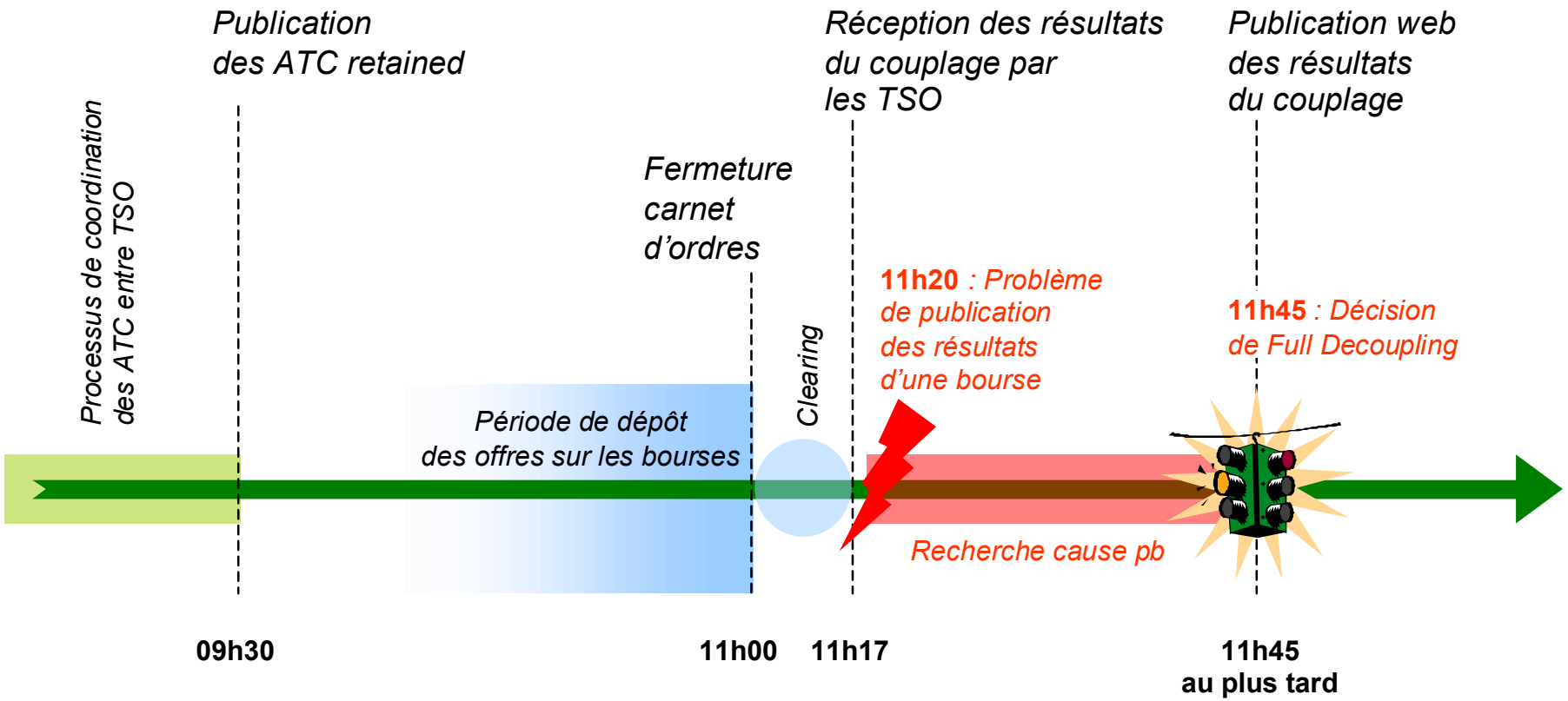
Point 1: retour de la CFAI du 02/02/2007

- *Maintien de la procédure de secours prévue dans les règles IFB (enchères explicites de capacité) lorsque le marché infrajournalier aura démarré.*
  - *2 utilisateurs ont répondu qu'en l'absence de connaissance des futures règles, ils ne pouvaient prendre position.*

Point sur les incidents enchères

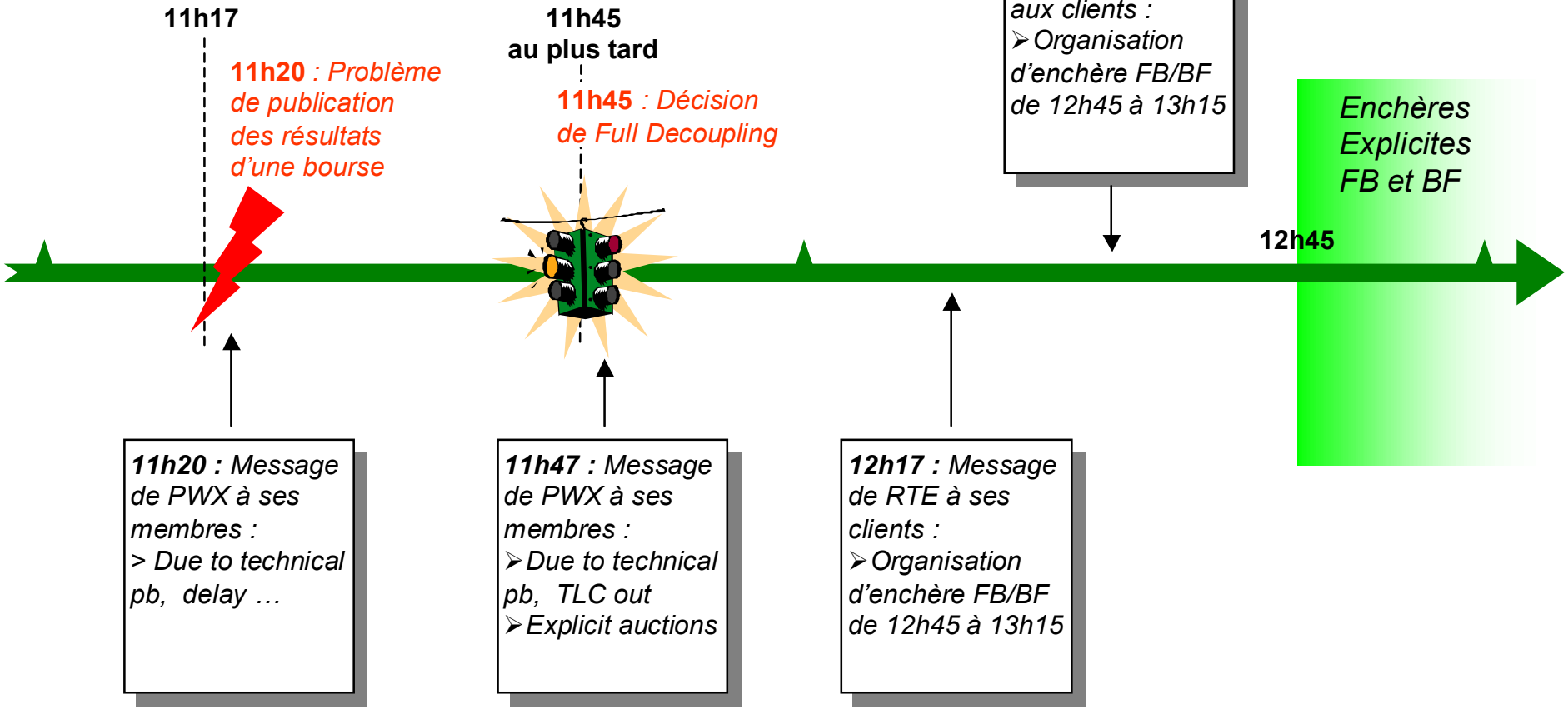
TLC / découplage des 27 et 28 avril 2007

- **Processus**



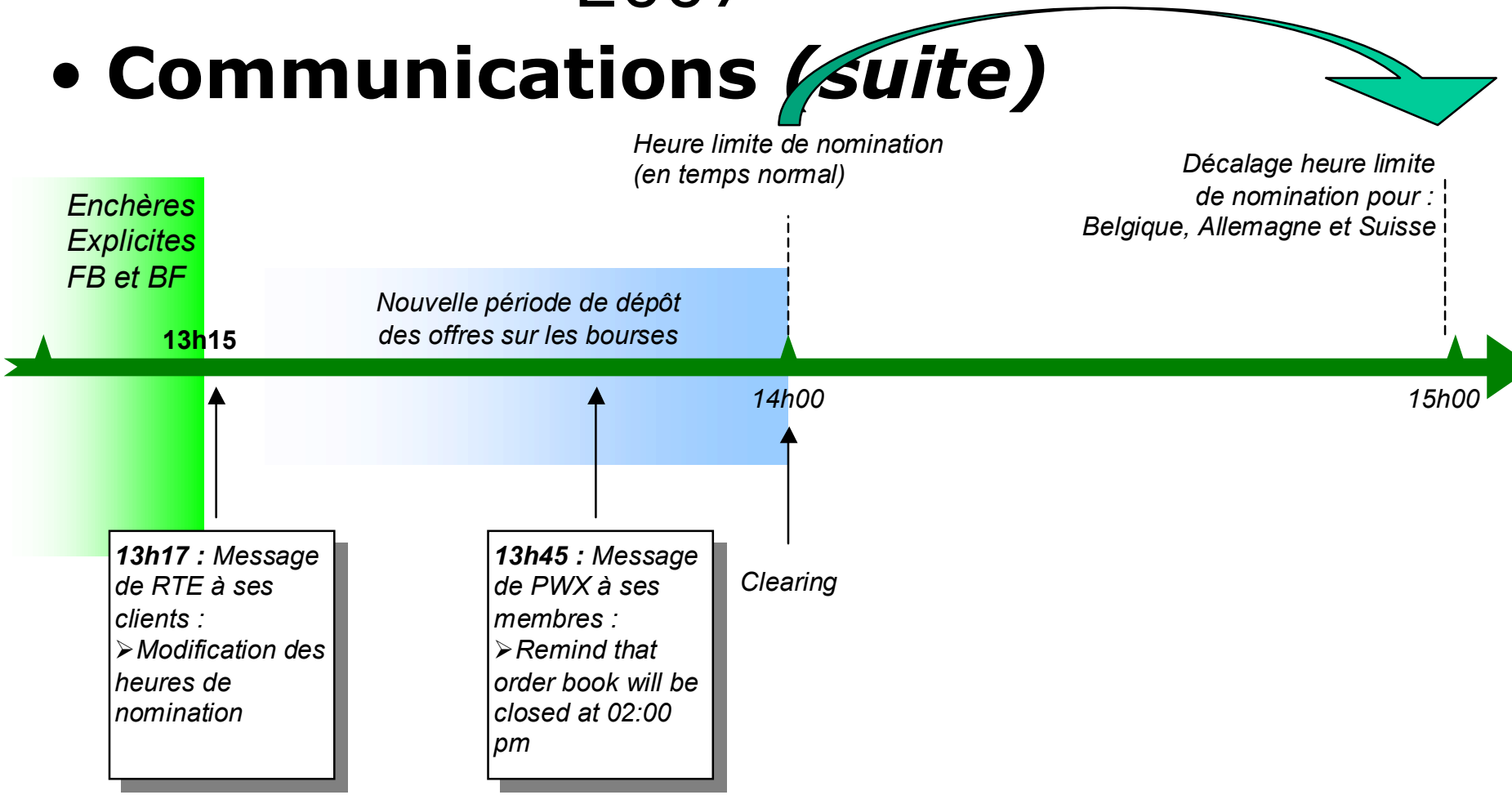
TLC / découplage des 27 et 28 avril 2007

- **Communications**



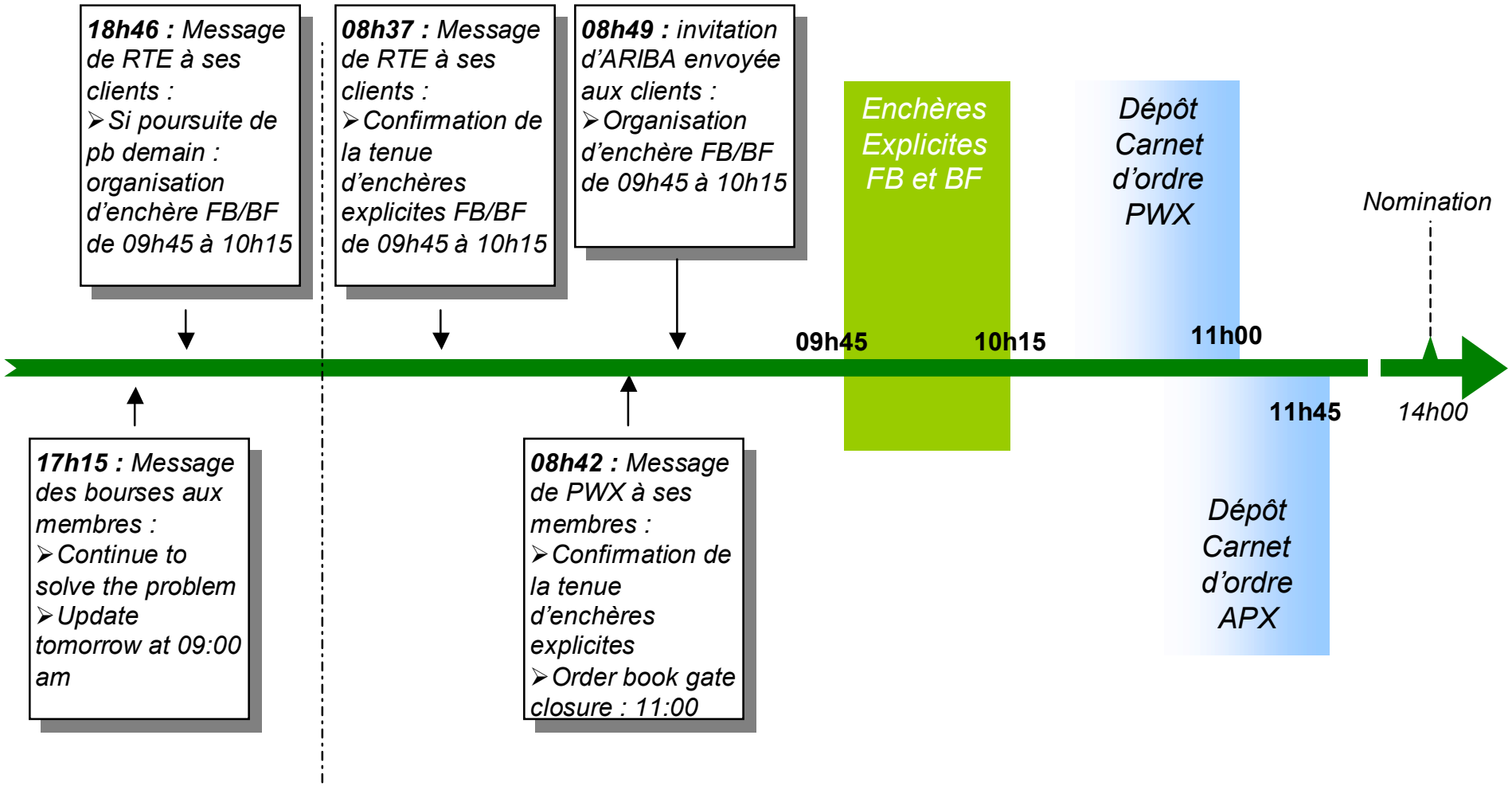
TLC / découplage des 27 et 28 avril 2007

- **Communications *(suite)***



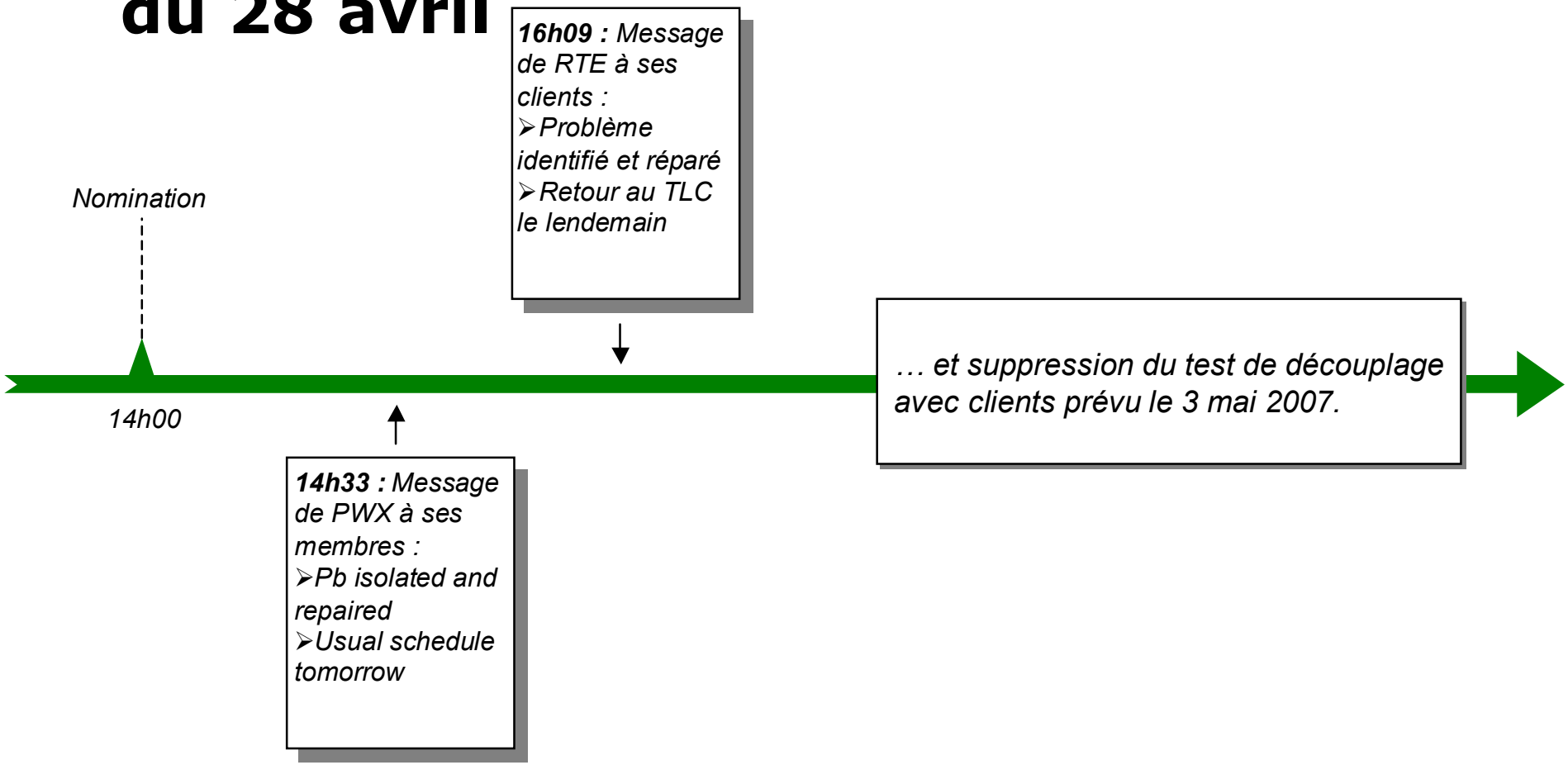
TLC / découplage des 27 et 28 avril 2007

- **Pour le lendemain, 28 avril**



TLC / découplage des 27 et 28 avril 2007

- **Retour à la normale dans l'après-midi du 28 avril**



Enchères / annulations depuis février 2007

- **Liste des annulations**

5 journées pendant lesquelles des annulations d'enchères ou de résultats ont eu lieu

Frontière	Identifiant	Etat	Périodicité	Date d'ouverture de l'enchère	Produit associé	Période d'application
Espagne - France	ES-FR_J_070305_S	Annulée	Journalier	05/03/2007	EF-07-J065-01	06/03/2007 - 06/03/2007
France - Espagne	FR-ES_J_070305_S	Résultat annulé	Journalier	05/03/2007	FE-07-J065-01	06/03/2007 - 06/03/2007
Espagne - France	ES-FR_J_070306_S	Annulée	Journalier	06/03/2007	EF-07-J066-01	07/03/2007 - 07/03/2007
France - Espagne	FR-ES_J_070306_S	Annulée	Journalier	06/03/2007	FE-07-J066-01	07/03/2007 - 07/03/2007
France - Allemagne	FR-DE_J_070306_S	Annulée	Journalier	06/03/2007	FD-07-J066-01	07/03/2007 - 07/03/2007
Espagne - France	ES-FR_J_070325_S	Brouillon	Journalier	25/03/2007	EF-07-J085-01	26/03/2007 - 26/03/2007
France - Espagne	FR-ES_J_070325_S	Brouillon	Journalier	25/03/2007	FE-07-J085-01	26/03/2007 - 26/03/2007
France - Italie	FR-IT_J_070325_S	Brouillon	Journalier	25/03/2007	FI-07-J085-01	26/03/2007 - 26/03/2007
France - Allemagne	FR-DE_J_070325_S	Brouillon	Journalier	25/03/2007	FD-07-J085-01	26/03/2007 - 26/03/2007
France - Italie	FR-IT_J_070411_S	Annulée	Journalier	11/04/2007	FI-07-J102-01	12/04/2007 - 12/04/2007
France - Espagne	FR-ES_J_070411_S	Résultat annulé	Journalier	11/04/2007	FE-07-J102-01	12/04/2007 - 12/04/2007
Espagne - France	ES-FR_J_070419_S	Annulée	Journalier	19/04/2007	EF-07-J110-01	20/04/2007 - 20/04/2007
France - Espagne	FR-ES_J_070419_S	Résultat annulé	Journalier	19/04/2007	FE-07-J110-01	20/04/2007 - 20/04/2007

Les 5 et 6 mars, problèmes ARIBA

Le 25 mars, problème SI de RTE (changement d'heure)

Le 11 avril, problème ARIBA de surcharge d'un serveur

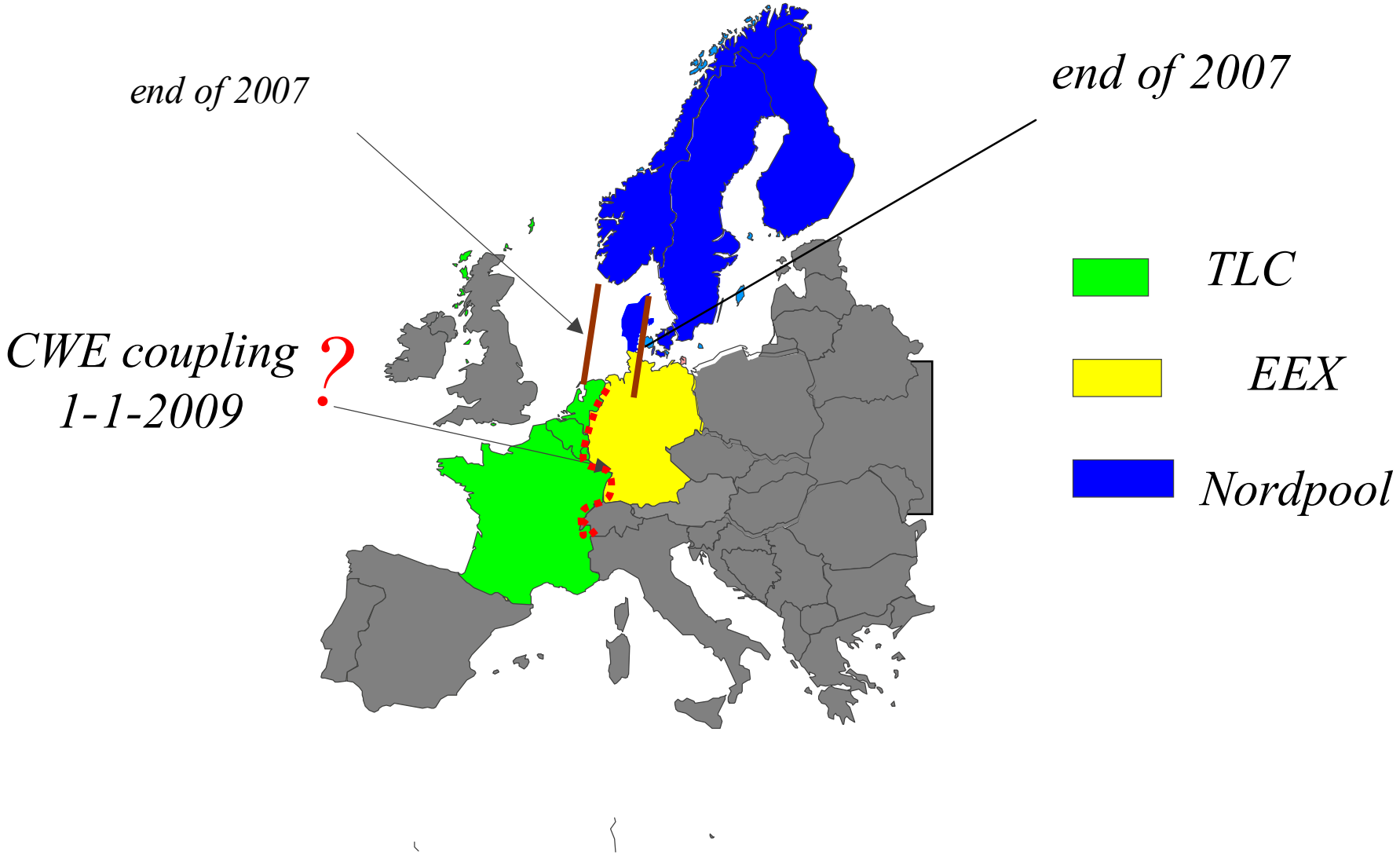
Le 19 avril, problème de transfert d'information (perte d'un serveur FT)

Point sur le plan d'action des Régulateurs

Initiative régionale Central Western Europe (CWE)

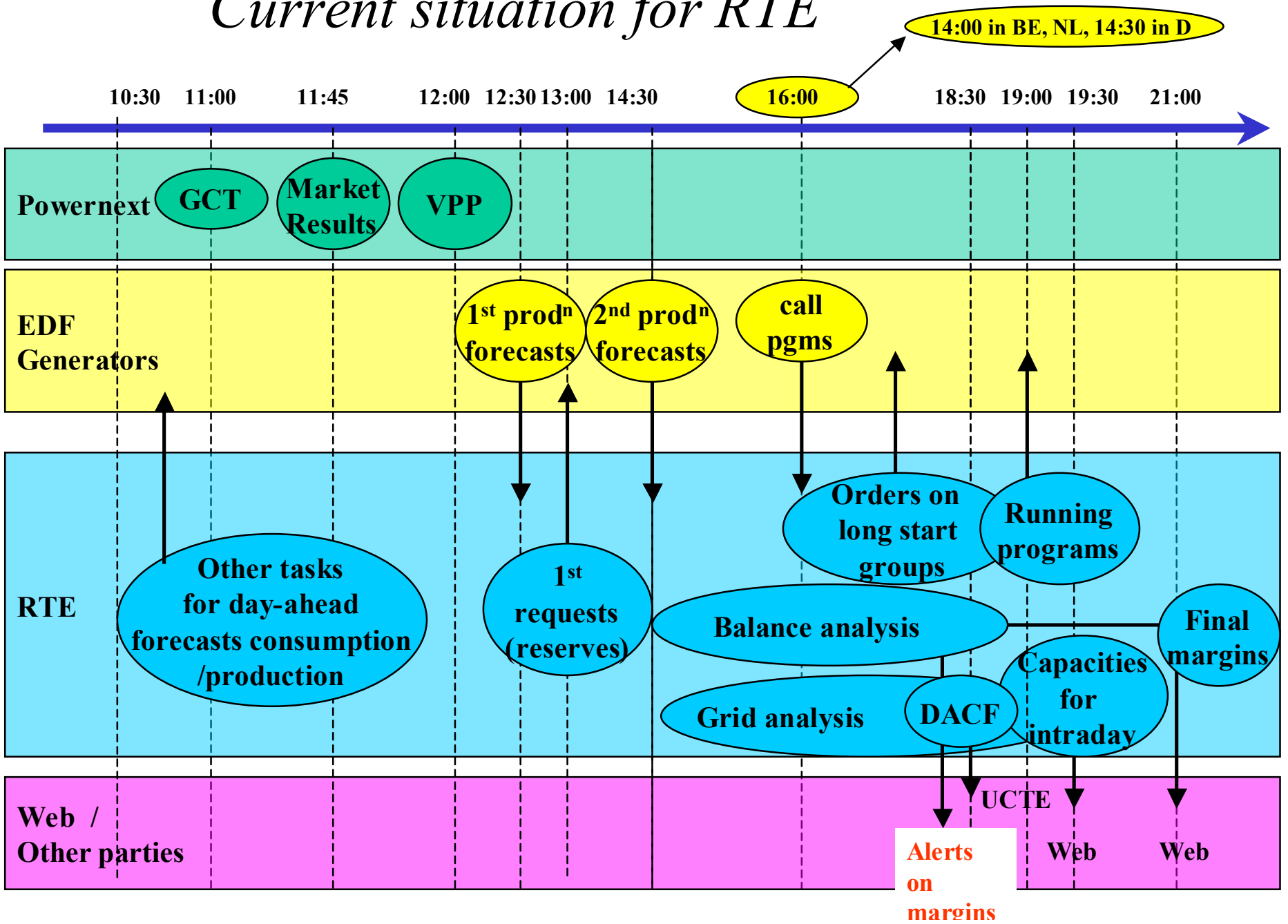
- *5 avril: constitution d'un dispositif de travail des GRT sur le plan d'action*
- *20 avril Implementation Group*
- *25 avril séminaire Dte sur le couplage de marchés*
- *MoU en cours de préparation sur le couplage de marchés et la sécurité d'approvisionnement (GRTs, PEXs, gvts, REGs)*
- *22 mai consultation des utilisateurs sur l'harmonisation des règles d'allocation des produits long terme*

D-1 Regional ambition: we have to close the coupling loop involving 50% of the IEM!



GCT harmonisation

Current situation for RTE



Impacts of a shift of 1:20 of the whole process

- *Main inputs :*
  - *Shift of production forecast in the early afternoon (to be checked with EdF)*
  - *Shift of call programs up to 17:20*
- *Main impacts on the outputs :*
  - *System balance :*
    - *Running programs (19:00→ **20:20**)*
    - *alert messages sent to the public authorities in case of insufficient margins (18:30→**19:50**)*
    - *call of long-start generation groups (groups that are needed for the morning peak of the following day)*
    - *publication of day-ahead margins (21:00→ **22:20**)*
  - *Grid analysis :*
    - *Sending of DACF files to UCTE (18:30→ **19:50**)*
    - *Publication of cross-border capacities for the first intraday gate closure (19:30→**20:50**)*
- *Impact on resources (people involved in day-ahead activities already reach the maximum authorised duration of 10 hours/day)*

Status report

- *A shift of 1:20 of all the process is very unlikely to be supported by RTE alone, mainly for security reasons*
- *RTE is willing to share with French generators the impacts in the afternoon of a shift of the GCT to 12:00*
- *Market consultation(s) to be organised*
- *Not possible to be ready before 1-1-2008*

Topic 1 of the action plan: Harmonisation and improvement of long-term explicit auction rules in the Central-West Region

Background

- *CWE Action plan released on 12 February 2007*
- *TSOs sent to regulators a common position on 21 March 2007 :*
  - *TSOs are fully committed to carry out the Action Plan*
  - *TSO Steering Committee and workstreams have been implemented*
  - *Discuss and implement arrangements and required organisational structure*
- *Joint TSO work in the above mentioned framework is starting, notwithstanding joint TSO works previously done, especially with roadmaps*

Action plan requirements regarding long term auctions

- *"The Regional Co-ordination Committee considers a harmonisation and improvement, among the entire Central West region, of the rules for auctioning cross-border transmission capacity an important step towards regional market integration. The market participants stressed the importance of having firmness of capacity in order to be able to lock in the transmission price when competing across borders. They also requested for an exact and common definition of Force Majeure. "*

- *"An efficient and practical way to achieve harmonised auction rules could be the establishment of one single auction platform for the region. The stakeholders welcome this idea for the annual and monthly explicit auctions. The French and German TSOs have analysed the advantages and disadvantages of such a single auction office. The results of this analysis have been forwarded to all the stakeholders."*

1. Harmonisation and improvement of auction rules

"Specific items for harmonisation and improvement are:

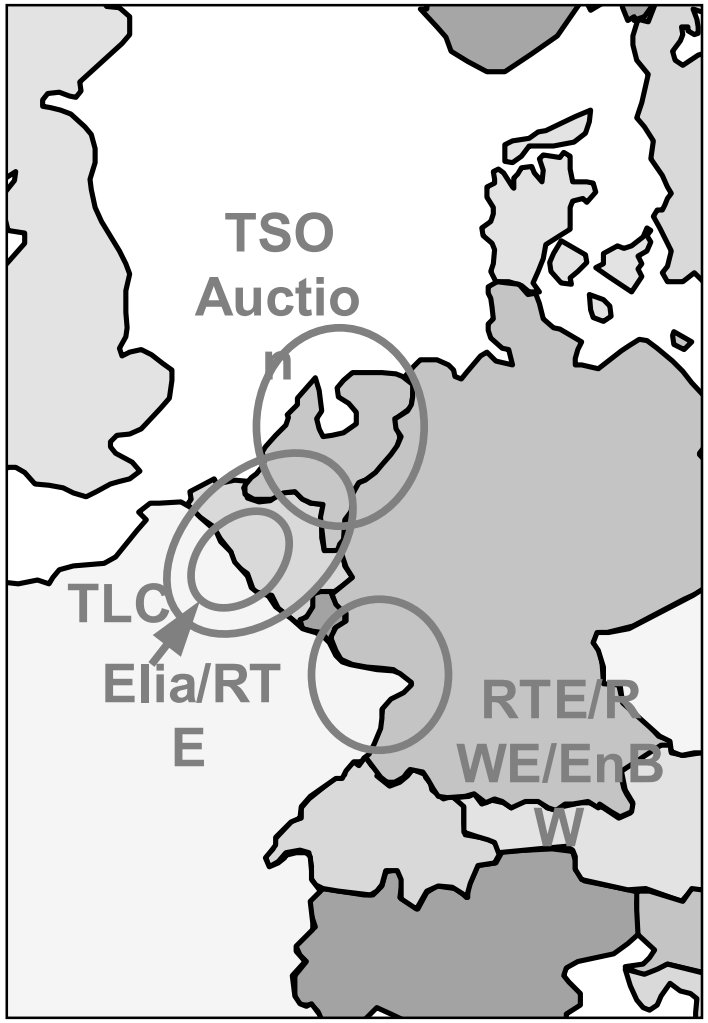
- *definitions,*
- *participation requirements,*
- *the bank guarantee,*
- *the firmness of both allocated capacities and nominated programs,*
- *the definition of force majeure,*
- *the bids format,*
- *the timing of the auctions,*
- *the indemnities/compensation/repayment in case of reduction,*
- *the payment conditions,*
- *secondary market principles ("use it or sell it"),*
- *the responsibility of parties,*
- *the suspension/termination of contract conditions.*

- *The RCC is open to any proposal of TSOs on additional topics to be harmonized*
- *Additionally, TSOs are requested to analyse the possibility of multi-year auctions and of Y+2 auctions of annual capacity. Also, the future of multi-stage annual auctions will be investigated. "*

2. Firmness of cross-border capacity allocation

- *"The TSOs are requested to carry out a study on the cost of compensation at full market price in case of capacity reduction based on past observations.*
- *The Regional Co-ordination Committee will use the TSO proposal for harmonisation and the results of the study on the compensation at full market price to draft a document assembling all the relevant aspects to the topic of the harmonisation and improvement of the explicit auction rules. This document will be submitted for consultation to the stakeholders in the region. By mid 2007 the regulators should be able to reach an agreement on the explicit auction rules, such that implementation for 2008 is possible. "*

Present situation region CWE for long term explicit auctions



Three existing explicit auction rules:

- *TSO Auction*
- *RTE/RWE/EnBW*
- *Elia/RTE*

Three existing auction IT systems:

- *TSO auction*
- *Ariba*
- *RWE*

Possible options for harmonisation of auction rules

1) *Harmonisation of rules without harmonisation of IT systems*
2) *Probably reachable (all the more as much harmonisation has already been done) but with poor added value for market participants*
2) *Harmonisation of rules with harmonisation of IT systems*
3) *Needs*

- *either to design a new IT system (costly for all TSOs for 13*2 auctions per border)*
- *Or to choose one of the existing systems: A) requires adaptation of interfaces for those TSOs not already using this system B) requires adaptation of organisation and governance for the existing system and appropriate agreements between TSOs C) has to be thought open to further integration with other regions*
- *This latter option is probably the most efficient but needs to be reviewed and detailed.*

Firmness of capacities and schedules (1/2)

- *Some degree of harmonization has already been realized, urged by the regulatory process, by coordinated actions like the Auction office, by compliance requirements to the CM guidelines, etc…*
- *Almost no reduction so far over the past years on the concerned borders. Moreover, past situations concerning price differentials with curtailment can not be extrapolated to the future, due to*
  - *the very low frequency of such curtailment and*
  - *the expected increase of implicit auctioning (= more price convergence but maybe price differentials more sensitive to – exceptional – curtailment).*
- *Therefore, a study « based on past observations » , as required in the action plan, would not lead to relevant conclusions for future rules.*

Firmness of capacities and schedules (2/2)

- *Risk (price, volume) needs to be assessed (not only on the basis of historics) and managed*

- *For cases beyond the reasonable control of TSOs (force majeure or situations close to force majeure), compensation at full market price might lead to bad incentives:*
  - *adverse selection: incentivizing market parties to be « short » in given areas*
  - *Double payments by end users (by (1) increased market price and (2) increased TSO tariffs)*

- *ETSO is preparing a firmness position paper, expected for 1 July 2007.*

Conclusion

- *Concerning harmonisation of long term explicit auction: TSOs favour an added value strategy probably leading to choose one of the existing systems*

- *Concerning firmness: historical datas demonstrate no reduction, but risk (price, volume) must be assessed and managed. Past situations concerning price differentials with curtailment can not be extrapolated to the future.*

- *The complete process includes a TSO proposal, market consultation, and regulatory approval. Implementation for 2008 (which means operational readiness september 2007) not realistic.*

Questions / Discussion

- *Priority of the market regarding the specific items for harmonisation from the action plan?*
- *Level of harmonisation?*
- *Is harmonisation of explicit auctions more important than implementation of market coupling?*
- *Are explicit auction for year/month necessary after implementation of market coupling?*
- *Is there a way to implicit intraday allocation?*

Part 2: The Action Plan

Common position of the TSO on the Action Plan

- *We welcome the initiative of the RCC of the CWE regional electricity market!*
- *The Action Plan covers the whole region for the first time and replaces the two previous different Roadmaps.*
- *As market facilitators we are fully committed to work on the various issues of the Action Plan.*
- *Our goal: Implementation of the arrangement at the earliest possible dates.*
- *Time schedule of the Action Plan is not realistic!*
- *Chronological priority of the tasks is necessary.*
- *TSO´s are implementing a organisational structure.*
- *Coordination with Pentalateral Forum.*

Organisational structure

- *Setup of a TSO Platform:*
  - *Cegedel, Elia, EnBW Transportnetz, E.ON Netz, RTE, RWE TSO, TenneT, Vattenfall Transmission*
- *Six working groups to cover mainly the requirement of the Action Plan.*
- *Immediatly starting to work.*
  - *First time a structure which covers the whole region!*
  - *Willingness of all TSO´s to make progress!*

Point 4: gestions des contreparties et mise en place du format d'échange ESS

Les Contreparties et leur déclaration

- **Fin 2005, au démarrage des enchères RTE a demandé l'envoi hebdomadaire (en S-1) d'un fichier contenant la déclaration des contreparties P, J-1 ainsi que la répartition par GRT sur la frontière allemande**

- **Juillet 2007 : allégement de cette procédure**
  - **La déclaration des contreparties P, J-1 se fera au moment de la nomination du programme, via la macro de nomination**
  - **Cela ne change en rien, les principes A to A ou A to B mis en place**
  - **Constat sur 2006 : vous n'avez pas modifié la répartition entre les GRTs allemands. Donc sur la frontière allemande, RTE demandera à chaque utilisateur de choisir RWE ou EnBW, ou de déclarer la répartition entre les 2 (). Cette répartition pourra, certes, être modifiée mais avec un préavis de 15 jours.**

Les Contreparties et leur déclaration

- **Planning :**
  - **Modification des règles IE et spécifiques (au cas par cas) nécessaire**
  - **Évolution de la macro client de nomination**
  - **Envoi du guide utilisateur, du guide d'implémentation courant mai**
  - **Tests SI avec chaque client**
  - **Mise en service prévue mi juillet 2007**

Nomination en ESS

- **RTE va faire évoluer les nominations des programmes : nominations au format ESS (déclaration contreparties et répartition GRTs au moment de la nomination)**

- **Date prévisionnelle de mise en service : début 2008**

Retour dernier Club Utilisateur

- **Dernière réunion : 13 février 2007 (envoi par mail du CR à la CFAI)**

Description	Priorité
Dépôt offre par défaut (1 périodique, 1 journalière)	N°1
Fichier d'offre avec 2 onglets	2
Téléchargement données d'archive	3
Voir les offres + résultats d'une même société pour un client de cette sté.	4
Annulation d'une offre	5

Point 5: France-Espagne

-Discussion sur le papier EFET

-Point sur le lancement d'un marché secondaire de capacité.

Discussion on EFET's paper

"Analysing Access to the France-Spain Interconnector"

April 2007

General Remarks

- *Triggered by the FR-ES interconnector forum on future v2.0 of IFE Rules in February 2007*
- *Very interesting paper covering the entire business process*
- *Includes valuable considerations*
  - *beyond the access to the FR-ES interconnector*

Spanish Regulatory Issues

- *Excludes 3 marketers from using the interconnector (FR → ES)*
  - *IFE Rules are subject to regulatory oversight, Can this rule prevail in the long term (e.g. with market coupling)?*
  - *Regional market surveillance by TSOs as a preferred solution*
  - *What would be EFET proposal to soften this with secondary markets*
  - *May 3rd Resolution in Spain (> 10 % share): what does it change?*
- *Does not consider balance responsible tools (yet)*
  - *Creates incompatibilities that might result in disoptimisation and lack of flexibility for using the allocated PTRs*
  - *Main concerns relate to the uses of Y-M PTRs in the Spanish side*
  - *Will this issue be improved by the amended MO ITC/843/2007?*
  - *RTE offers its expertise to all Spanish stakeholders on this point*

Need for More Market Facilitation Services from TSOs

- *EFET would prefer to interact with a single entity instead of two TSOs per interconnector*
  - *Covering publications, CRM issues, auctions, nominations, invoicing*
  - *RTE supports this view and has been working on it for several years*
    - *When the IFA auction office was put in place back in 2001*
    - *When outsourcing auctions to ARIBA, allowing other TSOs to use it*
    - *When actively contributing to the development of market coupling and intra-day platforms, probably the best way known today to achieve this goal*
  - *Single nomination: is it possible if the "existence of the energy" before accepting the nomination needs to be applied in Spain?*
- *EFET favours a more regional entity*

Firmness

- *The paper seems to "forget" that, after gate closure, XB exchange programs are firm!*
  - *No imbalance costs supported by users*
- *The 110 % compensation for curtailment of PTRs before nomination is questioned*
  - *EFET would like to be compensated at "full market spread"*
  - *ETSO is finalising the position of European TSOs on this issue of sharing risks amongst different parties (TSO-Holders-Consumers)*

Firmness ***cont.***

- *Firmness after the sending of the so called programming authorisations should in principle be included in final draft of V2.0 IFE Rules*
- *Some confusion observed regarding the interpretation of the ES→FR annual product*
  - *According to the auction specifications, the product sold was not 100 MW over 365 days!*
  - *The reason is the availability of the underlying physical grid, in particular during maintenance periods*
  - *It was specified as an interruptible product with a maximum of 63 days of interruption (obviously not compensated)*
  - *There is probably a need to better explain this in the IFE Rules*

Secondary Markets

- *The importance of such markets is recognised by EFET and by the TSOs*
- *EFET suggests reviewing the deadlines*
  - *Transfers: until the last minute instead of D-2 working days*
    - *Is this the main reason why transfers are almost never performed?*
  - *Resales: until the last minute (i.e. "automatic" UIOSI)*
    - *But existing Spanish regulation calls for UIOSI only after market coupling*
- *EFET has some concerns regarding the resale of annual PTRs at monthly auctions*
  - *In the form of base products in the last draft of IFE Rules*
  - *RTE prefers simplicity of the arrangements at this stage*

Other Important Issues

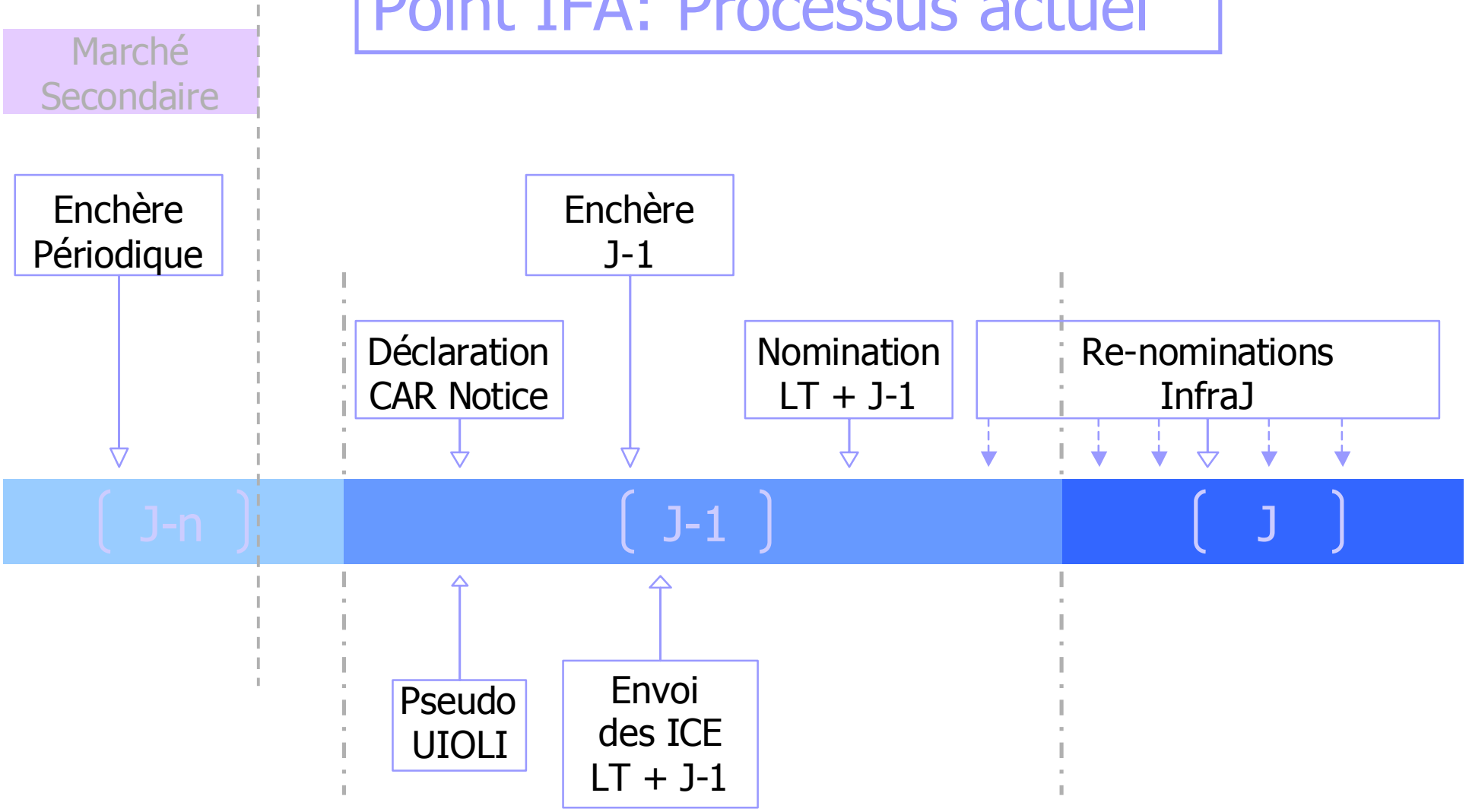
- *Size of Y-M products auctioned*
  - *"Informal" Rule 1: approx. 2/3 of the **average** monthly NTC forecast should have been allocated before D-1*
  - *"Informal" Rule 2: preferably allocating base products in Y-M auctions*
- *Intra-day access*
  - *Changing the OMEL Rules will reduce risks on intra-day capacity holders*
  - *One more auction to be analysed, what should be the best timing for EFET?*
  - *EFET target: intra-day platform, even if "big bang" in current Spanish designs?*
- *XB access to balancing markets*
  - *Inefficient explicit access (i.e. too slow bids, only to FR balancing market), unless existing regulations in both systems are made compatible to a minimum extent*
    - *Access to FR balancing market still possible … in theory!*
  - *TSO to TSO balancing arrangements suffer from similar concerns*

Next Steps

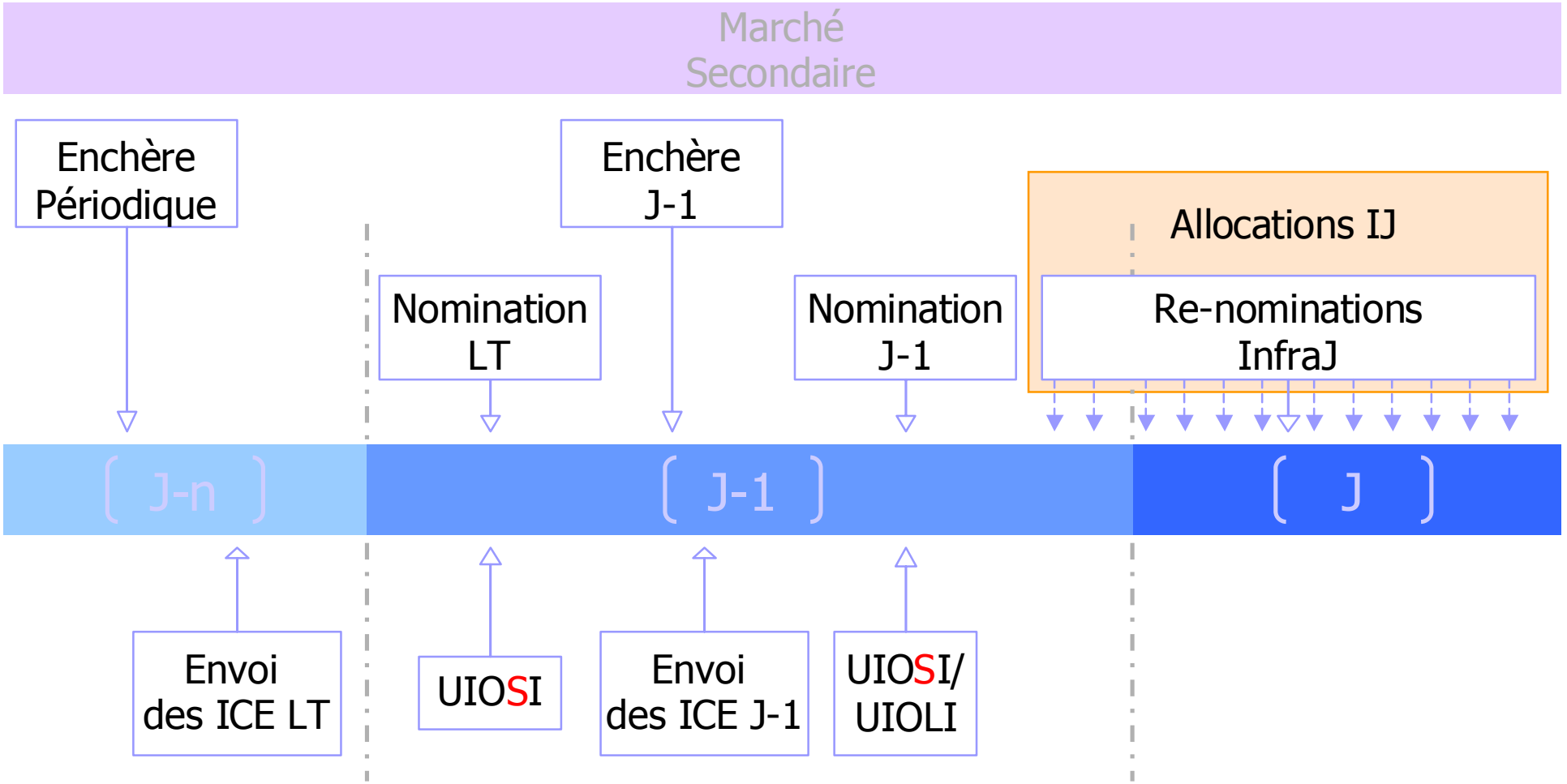
- *RTE is willing to start dialogue with EFET*
  - *to gain common understanding*
  - *and to establish priorities*
- *Which suggestions should be taken on board in the final draft IFE Rules for June?*
  - *provided regulatory green light is obtained!*

Point 6: IFA

Point IFA: Processus actuel



Point IFA: Processus cible ERGEG



Point IFA:Proposition RTE/NGIL

Suite aux demandes des régulateurs et afin d'assurer une conformité aux Guidelines avant fin 2007, RTE et NGIL ont proposé le plan d'actions suivant :

- Septembre 2007 — creation d'un guichet de nomination LT et implémentation d'un mécanisme de UIOSI sur des bandes journalières (allocation CAS)
- Courant 2008 — implémentation d'un mécanisme temporaire infrajournalier d'allocation et de nomination (prorata, enchères explicites ?)
- Septembre 2008 — évolution du mécanisme LT/J-1 (processus cible, plate-forme d'enchères, granularité horaire)
- Courant 2009 — implémentation d'un mécanisme infrajournalier 'avancé' d'allocation et de nomination (plate-forme infrajournalière continue), si son opportunité et sa faisabilité sont confirmées

Point IFA: Proposition RTE/NGIL

Conclusions du CM Workshop du 17 avril :

- les régulateurs ne considèrent plus le Sc. 1 comme un scénario conforme aux Guidelines

- les acteurs considèrent que l'intérêt du Sc. 1 est faible

- il a été demandé à RTE et NGIL de proposer des solutions alternatives (avec chiffrages et délais associés) permettant d'accélérer la convergence vers le processus cible – travail en cours, propositions prévues début juin

Prochain Stakeholder Group : 14 juin 2007

Point 7: REX marché secondaire FR-All

Utilisation du marché secondaire F<-> G

France -> Allemagne

9 participants

- ✓ **pas de transfert**
- ✓ **reventes en journalier (au 31/03/07): 590 GWh 384,1 k€**
- ✓ **reventes en mensuel (au 30/04/07): 565 MW 643,5 k€**

Allemagne -> France

8 participants

- ✓ **pas de transfert**
- ✓ **reventes en journalier (au 30/04/07): 901 GWh 373,5 k€**
- ✓ **reventes en mensuel (au 30/04/07): 315 MW 218,3 k€**