


ACER

 Agency for the Cooperation
of Energy Regulators

Progress on an Integrated European Electricity Market

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OUTLINE

- What are we aiming at?
- Main achievements and expectations in terms of market integration process?
- What are the remaining challenges?

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Internal Electricity Market

Efficient Cross-Border Capacity Calculation

Efficient Cross-Border Long-Term Capacity Allocation

Efficient Cross-Border Day-Ahead Capacity Allocation

Efficient Cross-Border Intraday Capacity Allocation

Efficient Cross-Border Balancing Markets

TSO/ISO/ITO Unbundling

Strengthened powers and independence for NRAs

Higher coordination requirements (ACER & ENTSO-E)

Adequate Network Development (EU TYNDP and TEN-E)

Markets are allowed to function un-hindered

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Two important parallel processes

Getting the rules in place

Grid Connection

CACM

System Operation

Balancing

Earlier implementation of CACM target models

Capacity Calculation

Long-Term Transmission Rights

Day-Ahead Market Coupling

Continuous Intraday Trading

Status – Framework Guidelines

**Network security
and reliability**

Network connection

**Third-party access
rules**

**Data exchange and
settlement**

Interoperability

**Operational
procedures in
emergency**

**Capacity allocation
and congestion
management**

Rules for trading

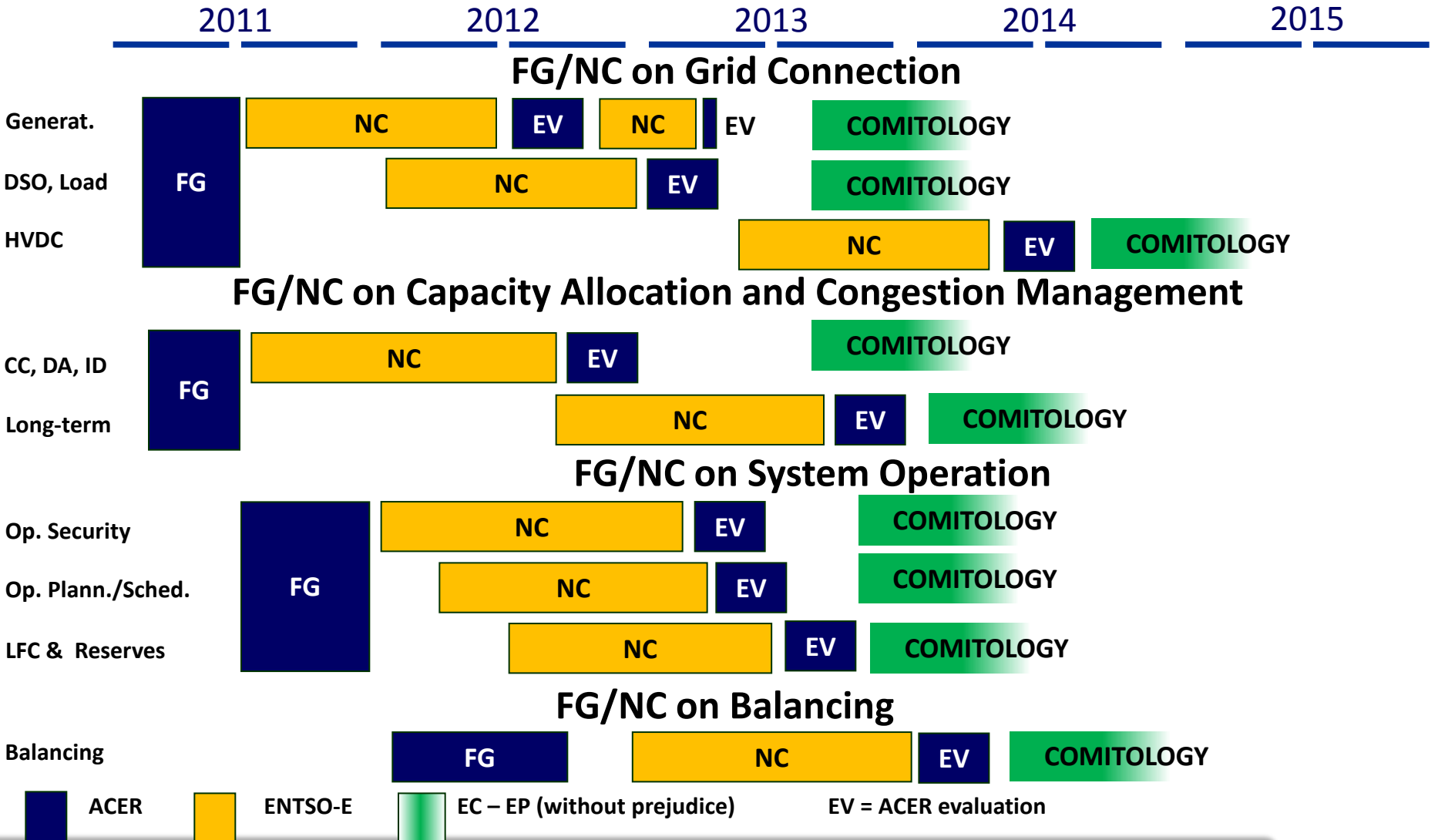
Transparency

Balancing

**Harmonised
transmission tariff
structures and ITC**

**Energy efficiency in
electricity networks**

Status & planning, June 2013



First pillar - Capacity Calculation: towards an improved calculation

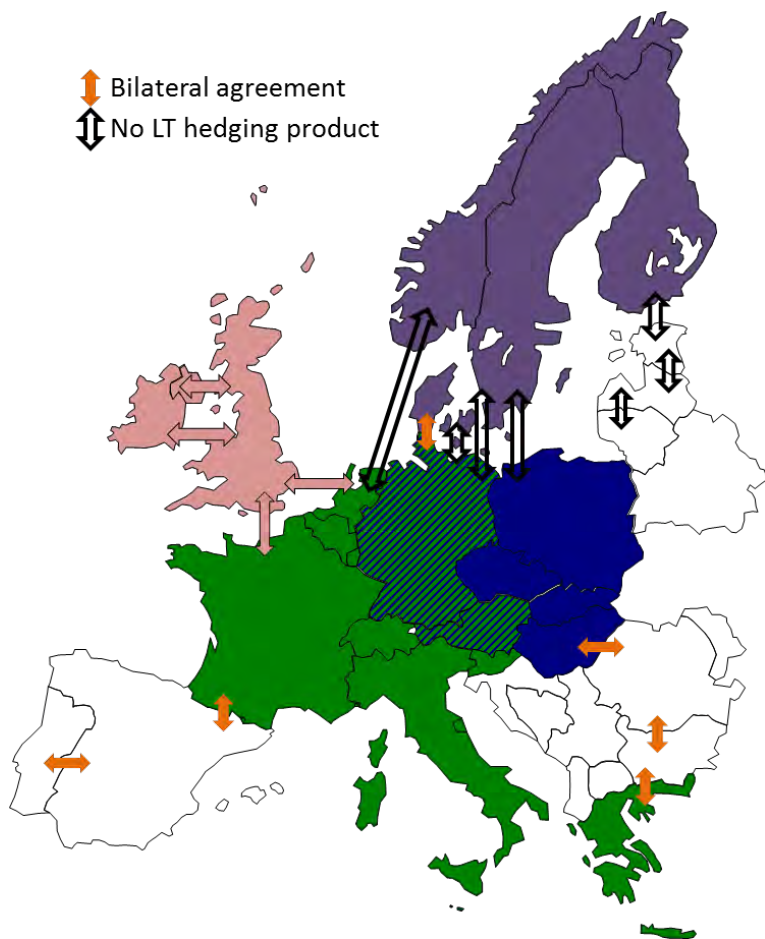
↕ ATC method



State of Play

- CWE region has already begun to move to the Flow-Based (FB) method. External parallel run is ongoing. Targeted “go-live”: Q1 2014
- CEE region has put its project on hold due to difficulty to solve the loop-flows issue
- CSE region has recently decided to stick to the ATC method until Day-Ahead Market Coupling is implemented
- A decision is still pending for Romania and Bulgaria

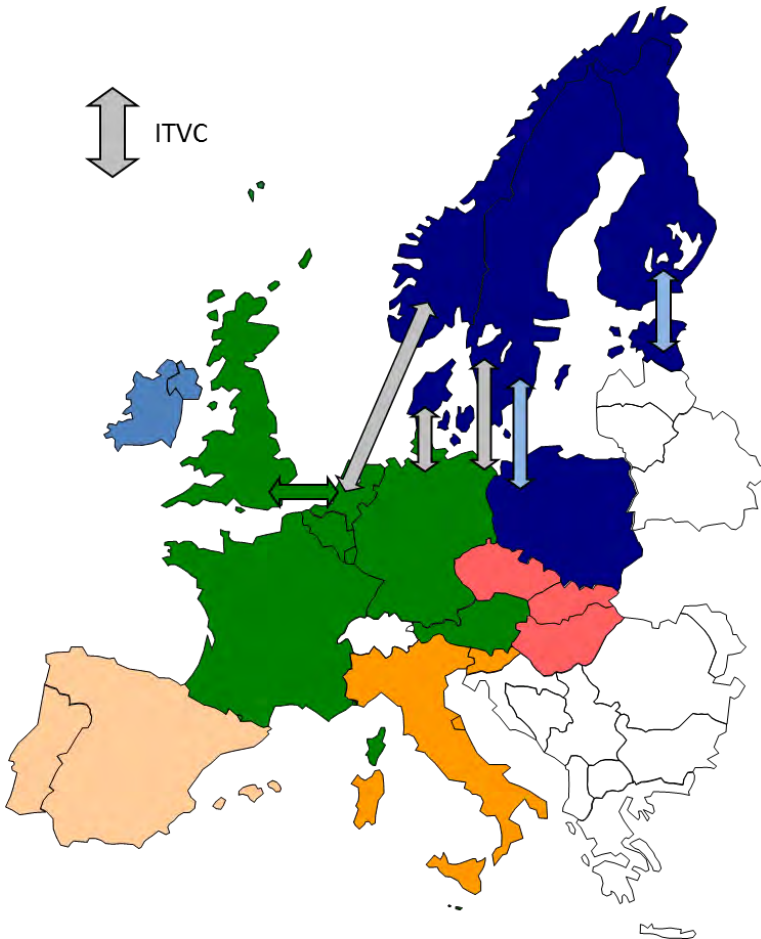
Second pillar - Long-Term market: towards a single access point for Transmissions Rights



State of Play

- Extension of CASC.EU to the France-Spain border expected by November 2013
- ACER's "Wish-list" to harmonise existing rules
- Impact of Subsea cables (FUI and Northern regions) and different regulatory regimes (FUI and Northern Regions)
- Impact of ongoing revision of MIFID 2

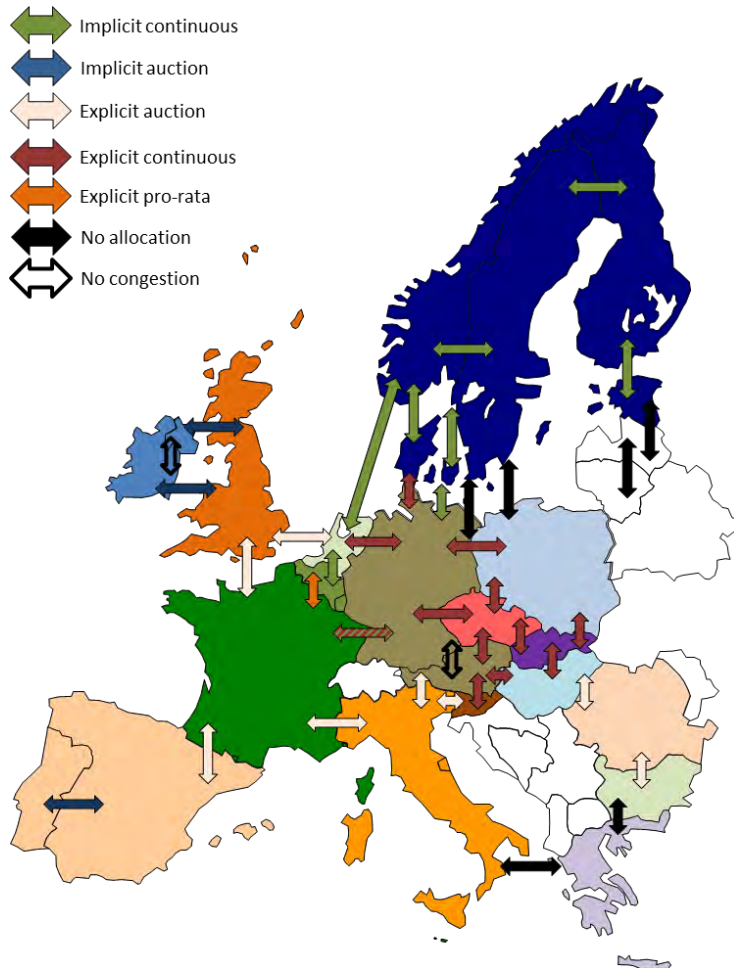
Third pillar - Day-Ahead Market Coupling: towards a single Day-Ahead market in Europe



State of Play

- NWE (CWE+Northern+FUI+Baltic) pilot project delayed, now on track to go live in November 2013
- SWE and CSE regions are fully committed to join NWE
- Ongoing discussions to extend CEE TLC (market coupling between Czech Republic, Hungary and Slovakia) to Romania and Poland

Fourth pillar – Intraday: towards a single platform for Intraday cross-border trade



State of Play

- Selection of the IT platform delayed due to disagreement among the involved PXs. Final decision now expected by the end of June 2013 (with the strong involvement of ACER)
- Many sensitive issues still need to be defined (Exact geographical scope of the Pilot Project, Implementation Plan, Cost Sharing and Comfort letter)

Reasonable expectations for 2014

- Day-Ahead Market Coupling implemented across Europe (Bulgaria?, Greece?, Ireland (2016))
- Flow-Based implemented in CWE and near to completion in CEE
- A single Allocation Platform for Long-Term Transmission Rights at least in Continental Europe
- European platform for Intraday cross-border trade implemented in the Pilot Region (still to be defined but as ambitious as possible), with on-going implementation in other regions

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Efficient
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Intraday
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Markets

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Adequate Network Development (EU TYNDP, TEN-E)

Markets are allowed to function un-hindered

Secure and Efficient Operation of the Existing Network

Achieving the on-going work:

- Monitor the implementation of NC (Grid connection, System Operation)
- Finalise the CACM target models implementation
- Progress towards an integrated balancing market

Adequate
Development of the
T&D Network

Implementing the TEN-E Regulation:

- A solid, efficient and transparent PCI selection process (based on EU TYNDP, CBA methodology and open access to third-party projects promoters)
- Fast-track Permitting procedure
- CBCA arrangements when necessary
- Incentive regulation

Towards more flexible networks/markets:

- Enhance coordination in real-time operation of the network (as if it was one single TSO)
- Continue and speed-up integration of short-term Markets
- Remove rules that interfere with price formation (price caps, existing support schemes, etc.) and block the development of new flexibility resources (DSR, Storage, Distributed generation)
- Expose each technology to imbalance costs

Flexibility

Getting Consumers on board:

- Targeted communication towards Consumers
- Protect Vulnerable consumers
- Promote Energy Efficiency
- Develop Demand-Side response

Consumers
Empowerment

A new Roadmap to meet these 4 challenges?

Secure and Efficient
Operation of the
Existing Network

Flexibility

Adequate
Development of the
T&D Network

Consumers
Empowerment

Thank you for your attention!



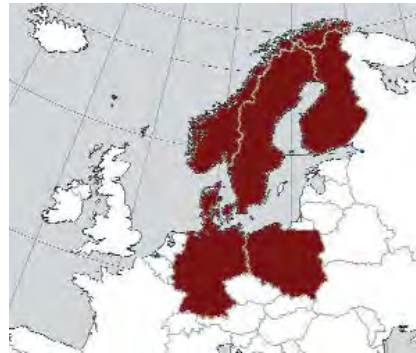
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Regions defined for the ERI

Central West



North



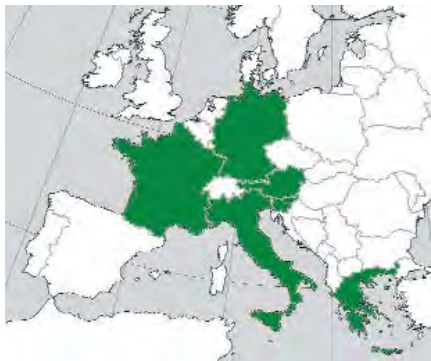
France – UK – Ireland



Baltic



Central South



South West



Central East

