Pilot Project # 3
e-GCC

Cross Border Balancing Pilot Project
(14th May 2014)
e-GCC in a nutshell

**e-GCC is the imbalance netting project**
(similar to IGCC module 1)

- Cooperation based on a multilateral contract (each participant has the same rights and obligations)
- Balancing energy with a fix settlement price for import
- TSO-TSO settlement administrated by a fully automatic IT solution
- Operator is ČEPS
- With possibility to connect into IGCC, allowing hierarchical merging (ČEPS is participating in IGCC)
**Main features:**
- Centralized IT platforms
- Allowing multiple connections
- Public interface documentation
- Operated by a single entity (TSO) ČEPS

**Real-time component:**
- 4sec loop ensuring efficient activation of aFRR

**Business component:**
- TSO-TSO settlement:
  - Data matching on a daily base
  - Data reclamation
  - Calculation of payments
- Fully automatic solution
- Based on web services
Only ČEPS’s unsatisfied SCP demands are provided, but extension for SEPS and MAVIR is possible.
What could be the contribution of e-GCC when developing the EU balancing market? #1

Creation and enlargement of a CoBA

- Multilateral contract gives the same rights and obligations to each participant and already includes entry process for newly joining TSOs (IGCC contract is bilateral)
- Documentation of the IT solution is already in English allowing an easy step-by-step connection of a new TSO

Knowledge of „how to do it“ thanks to ongoing development

Settlement based on a fix price

- An easy and transparent solution in comparison with settlement based on opportunity pricing methodology (IGCC settlement price is based on opportunity price)

Could be used as a reference to other pricing methodologies when elaborating which pricing methodology reflects the value of avoided activation
What could be the contribution of e-GCC when developing the EU balancing market? #2

Collaboration of two different cooperation („CoBAs“) with the same subject but different basics such as:

- Settlement methodology
- Business and IT solution
- Decision making

*Experience with setting the rules so they allow multiple cooperation for a single TSO*

Experiences from a real-time operation by dispatchers

- Operation of e-GCC
- Cooperation with IGCC
- Cooperation with PSE (case of highly matched grids)

*Experience gained after more than one year of operation*
Timeline

Finished/ ongoing tasks:

- ČEPS and SEPS are already granted with a permission for a regular operation by ENTSO-E RGCE SOC
- Regular reporting on ACE quality towards ENTSO-E working groups for MAVIR

Step one - Operational experience:

- Necessary for the third-party co-operation;
- TSOs investigate independently the impact of the cooperation on national markets;
- Examination of the cross border capacity constraints.

Step two – Analysis, studies and designing:

- Discussion about possible modification of settlement price calculation begins. In the second half of 2014 it is planned to make a Cost Benefit Analysis on the current and the possible future pricing methodologies.

Step three – Enhance the cooperation and harmonization:

- Close cooperation with the other pilot projects for examining and collecting the conclusions deriving from the their test periods,
- Evaluation of possible advantages resulting from merging with other imbalance netting projects (future inter-CoBAs cooperation or merging).
Co-operation with other Projects

- There are options for both merging and extension.
- CEPS is already inside IGCC;
  - Needs to be agreed bilaterally.
- The extension or merging needs to be tested and simulated:
  - Geographical extension,
  - Technical limits, such as cross-border capacity limit calculation and consideration,
  - Methodology of Settlement price calculation.
- Operator of the co-operation;
- Levels of co-optimisation need to be defined.
Results of e-GCC Operation
Results: ACE Quality
Results: Exchanged energy (Import and Export)
Results: Hourly average of netted imbalance
## Results: Ratio of hours for successful exchange

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Source: entsoe
Thank you for your attention.

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MAVIR