

# Bidding Zone Review Consultative Group (BZR CG)

11 July 2024 – online conference



# Public Consultation on Bidding Zone review - Scope

The public consultations includes questions that cover the following topics:

- Market liquidity and transaction costs
- Transition costs
- Measures to mitigate negative impacts
- Practical implementation considerations

The Public consultation is split into three parts, one regarding each report, and a third with further questions.

The questions in the public consultation relate to the current versions of the two document that are consulted upon: the report on Liquidity and Transaction costs and the report on Transition costs.

Both reports are the result of studies executed by Compass Lexecon at the request of ENTSO-E.

Network security	Market efficiency	Stability & robustness of BZs	Energy transition
<ol style="list-style-type: none"> <li>Operational security</li> <li>Security of supply</li> <li>Uncertainty in cross-zonal capacity calculation</li> </ol>	<ol style="list-style-type: none"> <li>Economic efficiency</li> <li>Firmness costs</li> <li>Market liquidity &amp; transaction costs</li> <li>Market concentration &amp; market power</li> <li>Effective competition</li> <li>Price signals for building infrastructure</li> <li>Accuracy &amp; robustness of price signals</li> <li>Transition costs</li> <li>Infrastructure costs</li> <li>Market outcomes in comparison to corrective measures</li> <li>Adverse effects of internal transactions on other BZs</li> <li>Impact on operation and efficiency of balancing</li> </ol>	<ol style="list-style-type: none"> <li>Stability &amp; robustness of price signals over time</li> <li>Consistency across capacity calculation time frames</li> <li>Assignment of generation and load units to BZs</li> <li>Location and frequency of congestion, market and grid</li> </ol>	<ol style="list-style-type: none"> <li>Short-term effects on carbon emissions</li> <li>Short-term effects on RES integration</li> <li>Long-term effects on low-carbon investments</li> </ol>

# Public Consultation on Bidding Zone review - Process

The Public Consultation will be open for more than 6 weeks to take into account the holiday period.

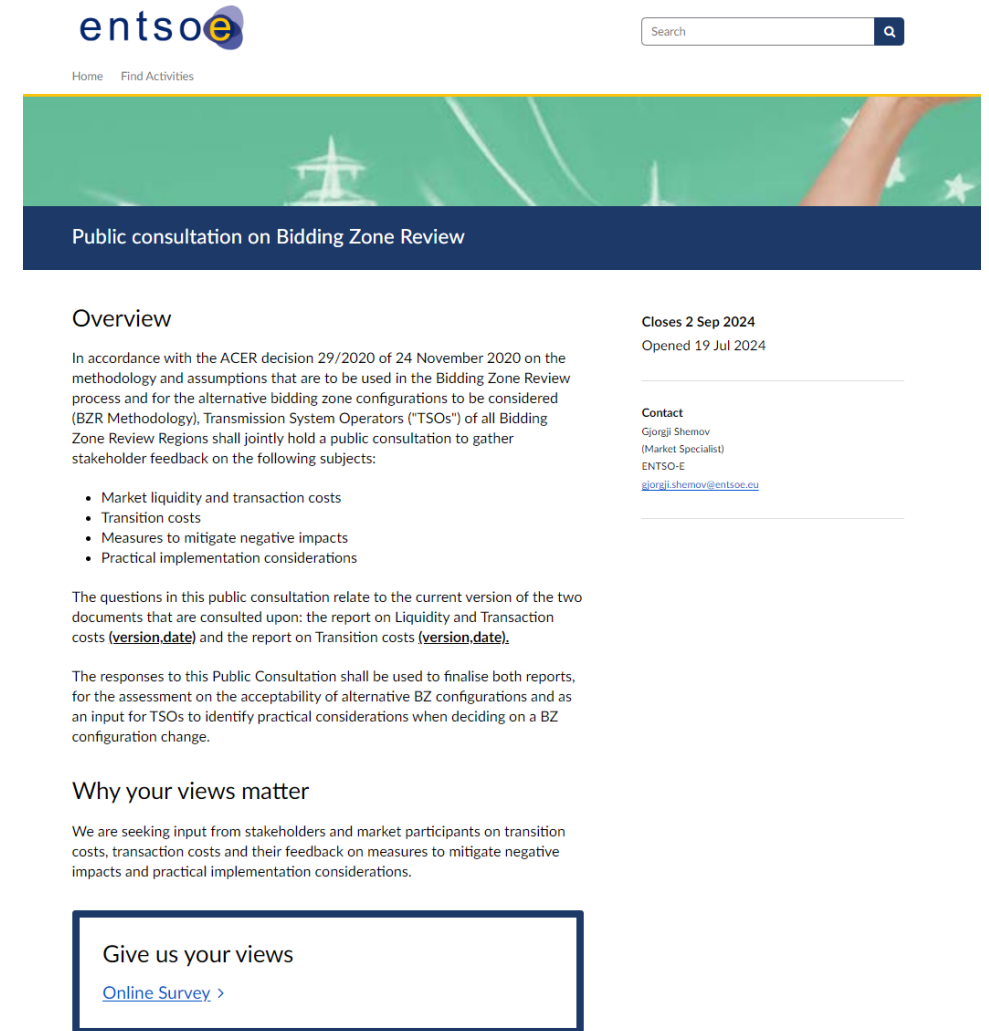
**Launch** of the Public Consultation will be on the **19<sup>th</sup> of July**.

**Deadline** for responses is **2<sup>nd</sup> of September**.

**A public webinar** will be organized on the **20<sup>th</sup> of August**.

The responses relating to liquidity and transaction costs, transition costs and mitigation measures will be considered when creating the final versions of both reports.

The responses relating to practical considerations shall be used as an input for TSOs to identify practical considerations during the assessment of all other criteria. (Step 2, Article 13.1(b)iii.3 BZR Methodology).



The screenshot shows the ENTSO-E website page for the public consultation on Bidding Zone Review. The page features the ENTSO-E logo at the top left, a search bar at the top right, and a navigation menu with 'Home' and 'Find Activities'. The main header is a green banner with a white silhouette of a power line tower and the text 'Public consultation on Bidding Zone Review'. Below the banner, the page is divided into two columns. The left column is titled 'Overview' and contains the following text: 'In accordance with the ACER decision 29/2020 of 24 November 2020 on the methodology and assumptions that are to be used in the Bidding Zone Review process and for the alternative bidding zone configurations to be considered (BZR Methodology), Transmission System Operators ("TSOs") of all Bidding Zone Review Regions shall jointly hold a public consultation to gather stakeholder feedback on the following subjects:'. This is followed by a bulleted list: 'Market liquidity and transaction costs', 'Transition costs', 'Measures to mitigate negative impacts', and 'Practical implementation considerations'. Below the list, it states: 'The questions in this public consultation relate to the current version of the two documents that are consulted upon: the report on Liquidity and Transaction costs (version date) and the report on Transition costs (version date)'. The right column contains the following information: 'Closes 2 Sep 2024', 'Opened 19 Jul 2024', 'Contact: Gjorgji Shemov (Market Specialist) ENTSO-E, [gjorgji.shemov@entsoe.eu](mailto:gjorgji.shemov@entsoe.eu)'. At the bottom of the page, there is a blue box with the text 'Give us your views' and a link 'Online Survey >'. The ENTSO-E logo is also present in the bottom right corner of the page.

# ENTSO-E Mission Statement

## Who we are

ENTSO-E, the European Network of Transmission System Operators for Electricity, is the **association for the cooperation of the European transmission system operators (TSOs)**. The 42 member TSOs, representing 35 countries, are responsible for the secure and coordinated operation of Europe's electricity system, the largest interconnected electrical grid in the world. In addition to its core, historical role in technical cooperation, ENTSO-E is also the common voice of TSOs.

ENTSO-E **brings together the unique expertise of TSOs for the benefit of European citizens** by keeping the lights on, enabling the energy transition, and promoting the completion and optimal functioning of the internal electricity market, including via the fulfilment of the mandates given to ENTSO-E based on EU legislation.

## Our mission

ENTSO-E and its members, as the European TSO community, fulfil a common mission: Ensuring the **security of the interconnected power system in all time frames at pan-European level and the optimal functioning and development of the European interconnected electricity markets**, while enabling the integration of electricity generated from renewable energy sources and of emerging technologies.

## Our vision

ENTSO-E plays a central role in enabling Europe to become the first **climate-neutral continent by 2050** by creating a system that is secure, sustainable and affordable, and that integrates the expected amount of renewable energy, thereby offering an essential contribution to the European Green Deal. This endeavour requires sector integration and close cooperation among all actors.

Europe is moving towards a sustainable, digitalised, integrated and electrified energy system with a combination of centralised and distributed resources. ENTSO-E acts to ensure that this energy system **keeps consumers at its centre** and is operated and developed with **climate objectives** and **social welfare** in mind.

ENTSO-E is committed to use its unique expertise and system-wide view – supported by a responsibility to maintain the system's security – to deliver a comprehensive roadmap of how a climate-neutral Europe looks.



# ENTSO-E Mission Statement

## Our values

ENTSO-E acts in solidarity as a community of TSOs united by a shared responsibility.

As the professional association of independent and neutral regulated entities acting under a clear legal mandate, ENTSO-E serves the interests of society by optimising social welfare in its dimensions of safety, economy, environment, and performance.

ENTSO-E is committed to working with the highest technical rigour as well as developing sustainable and innovative responses to prepare for the future and overcoming the challenges of keeping the power system secure in a climate-neutral Europe. In all its activities, ENTSO-E acts with transparency and in a trustworthy dialogue with legislative and regulatory decision makers and stakeholders.

## Our contributions

ENTSO-E **supports the cooperation** among its members at European and regional levels. Over the past decades, TSOs have undertaken initiatives to increase their cooperation in network planning, operation and market integration, thereby successfully contributing to meeting EU climate and energy targets.

To carry out its **legally mandated tasks**, ENTSO-E's key responsibilities include the following:

- Development and implementation of standards, network codes, platforms and tools to ensure secure system and market operation as well as integration of renewable energy;
- Assessment of the adequacy of the system in different timeframes;
- Coordination of the planning and development of infrastructures at the European level (Ten-Year Network Development Plans, TYNDPs);
- Coordination of research, development and innovation activities of TSOs;
- Development of platforms to enable the transparent sharing of data with market participants.

ENTSO-E supports its members in **the implementation and monitoring** of the agreed common rules.

**ENTSO-E is the common voice of European TSOs** and provides expert contributions and a constructive view to energy debates to support policymakers in making informed decisions.

Our values define who we are, what we stand for and how we behave.  
We all play a part in bringing them to life.



## EXCELLENCE

We deliver to the highest standards.  
We provide an environment in which people can develop to their full potential.



## TRUST

We trust each other, we are transparent and we empower people.  
We respect diversity.



## INTEGRITY

We act in the interest of  
ENTSO-E



## TEAM

We care about people. We work transversal and we support each other.  
We celebrate success.



## FUTURE THINKING

We are a learning organisation.  
We explore new paths and solutions.

**We are ENTSO-E**