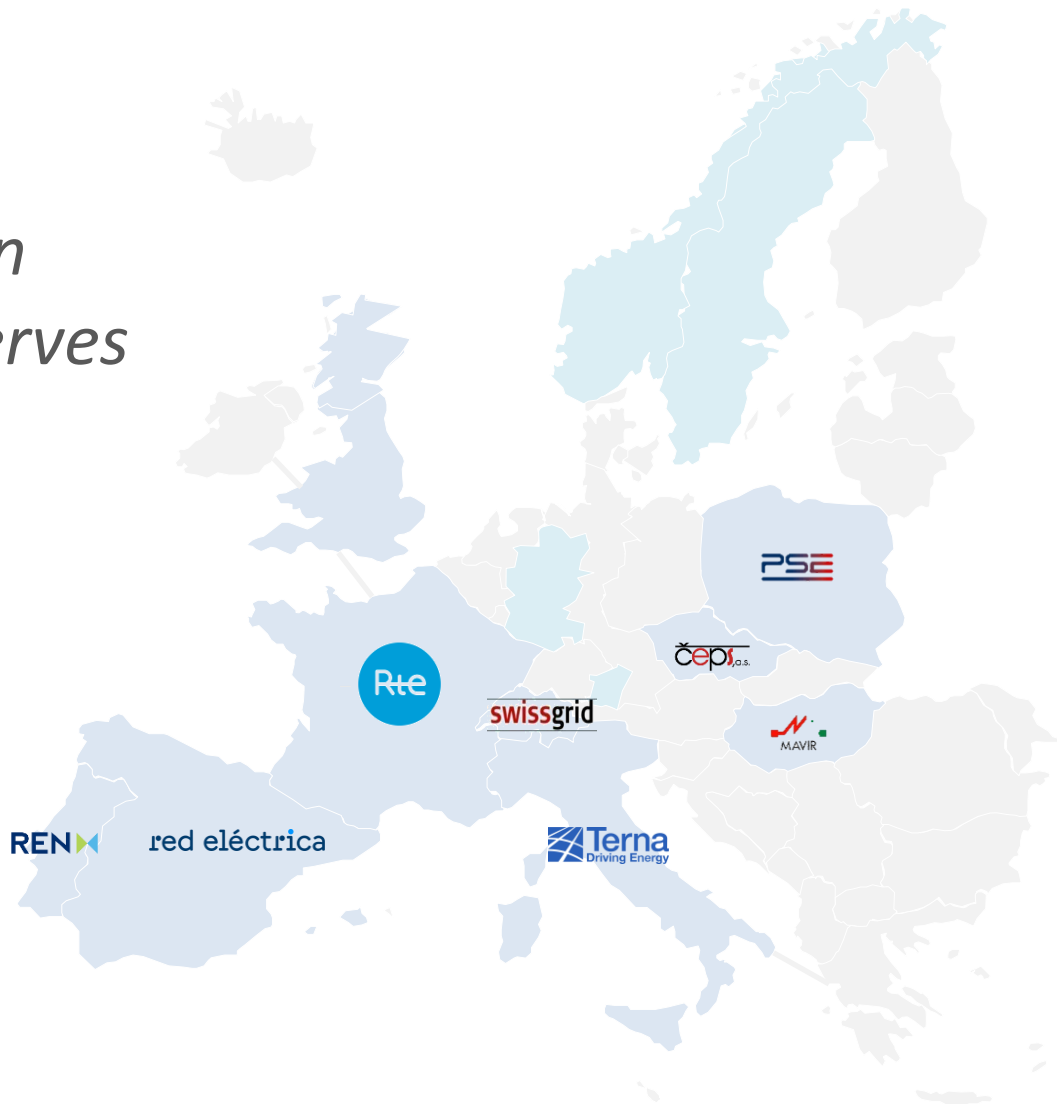


TERRE

Trans European Replacement Reserves Exchange

TERRE Stakeholder Workshop

30th November 2023



Agenda

TERRE Stakeholder Workshop

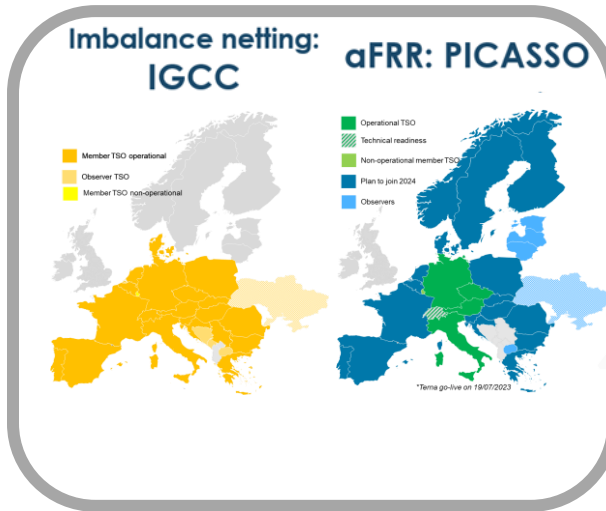
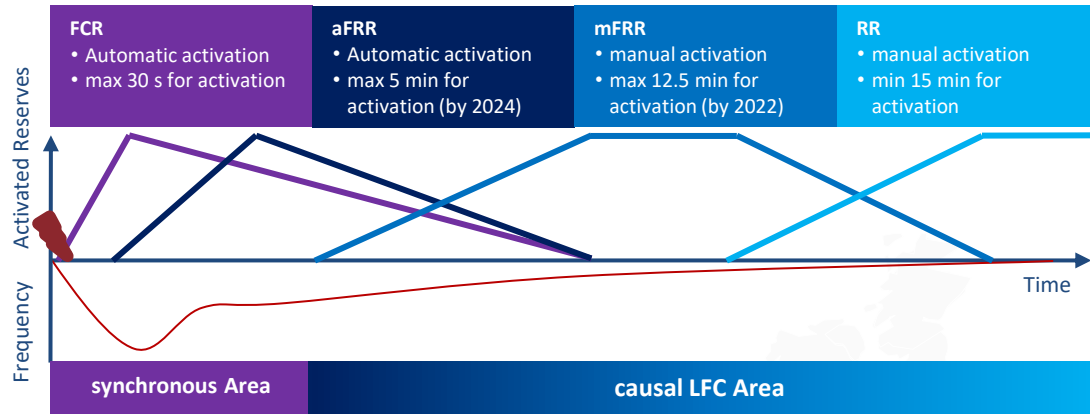
#	TOPICS	Timing (CET)
1	Introduction	11:45
2	Last main project milestones and developments of the LIBRA platform	11:50
3	Upcoming major changes	12:05
4	Questions & Answers	12:30
End of the meeting		12:45



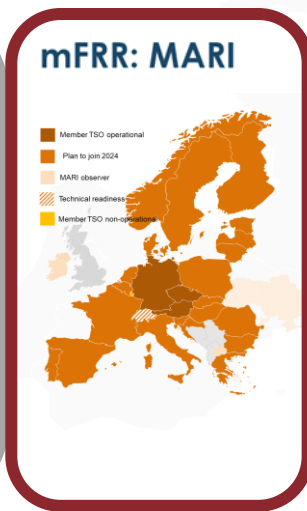
Topic 1: Introduction

1. Introduction

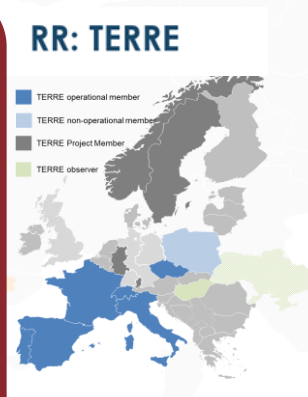
European Balancing Platform - Overview



TransnetBW as CSP



Amprion as CSP



- Different balancing processes and products to contain and restore system frequency in case of imbalances
- Distributed activation of FCR by the whole synchronous area
- Each LFC area is responsible for the restoration of its system balance by activation of aFRR, mFRR and RR.
- EBGL requires implementation of platforms for cross-border activation of these balancing products.
- Operation of balancing platforms allow the cost-optimal restoration of imbalances.

1. Introduction

TERRE project - Participating TSOs

TERRE Members

■ Region 1

- France (RTE)
- Italy (TERNA)
- Portugal (REN)
- Spain (REE)
- Switzerland (SG)

■ Region 2

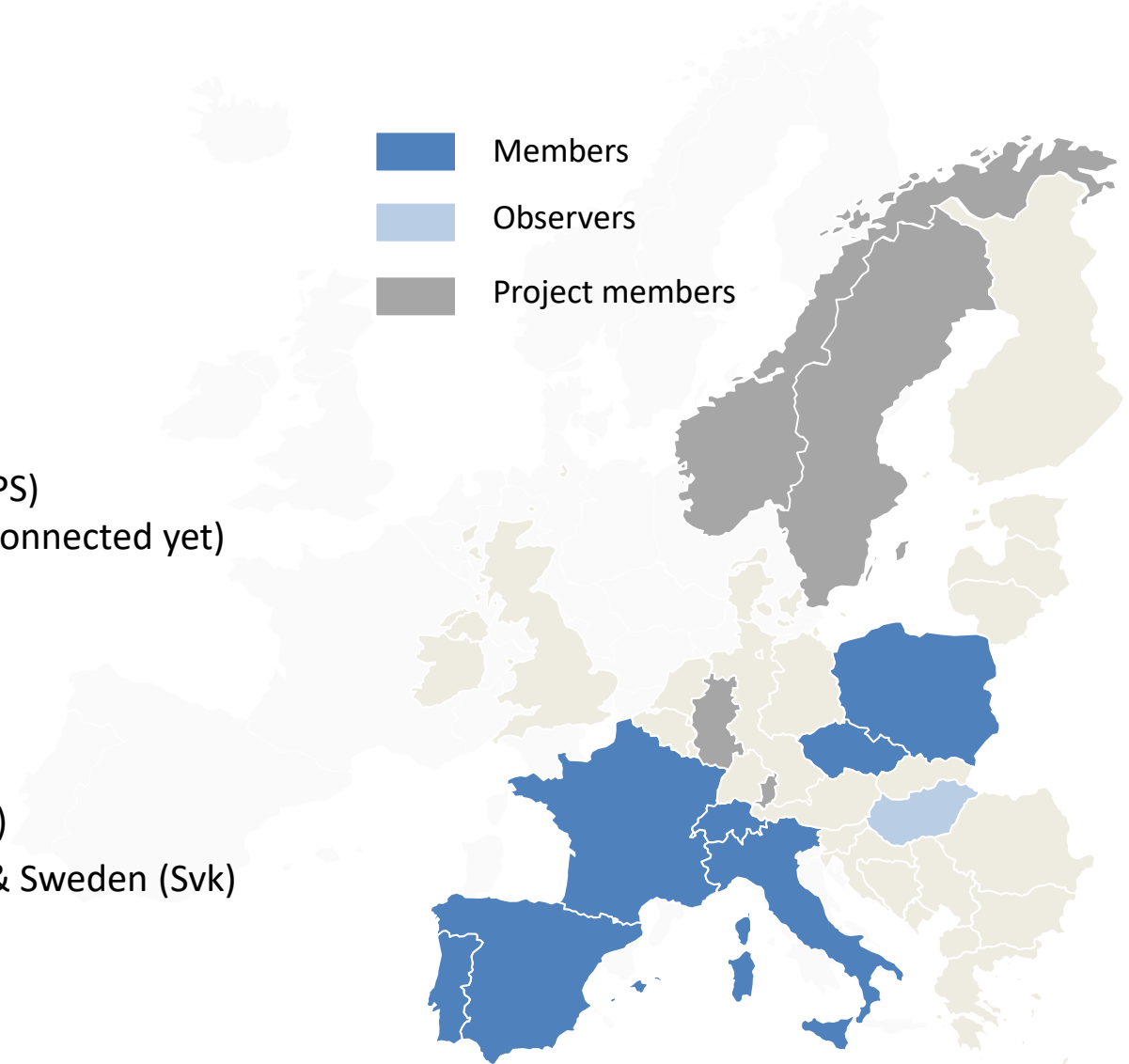
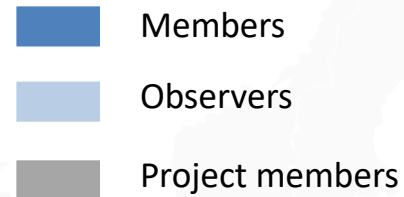
- Czech Republic (CEPS)
- Poland (PSE) (not connected yet)

■ Observers

- Hungary (MAVIR)

Project Members

- Germany (Amprion)
- Norway (Statnett) & Sweden (Svk)



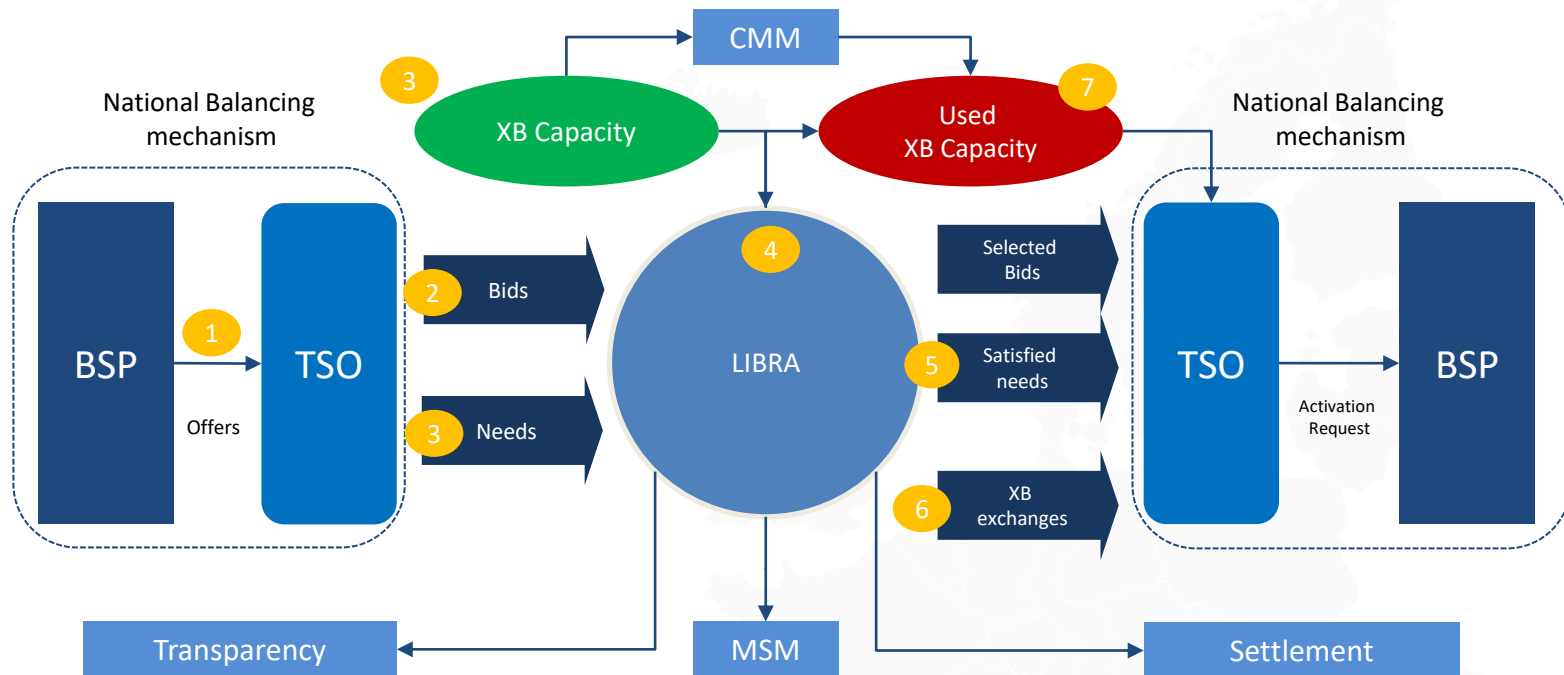
1. Introduction

Accession timeline – past and foreseen

Country	TSO	Date of accession
Czech Republic	ČEPS a.s.	6 January 2020
Spain	REE - Red Eléctrica de España S.A.U	3 March 2020
Portugal	REN – Rede Eléctrica Nacional, S.A	29 September 2020
Switzerland	Swissgrid AG	8 October 2020
France	RTE - Réseau de Transport d'Electricité	2 December 2020
Italy	Terna - Rete Elettrica Nazionale SpA	13 January 2021
Great Britain	National Grid Electricity System Operator Ltd	<i>Exit from the project</i>
Poland	PSE - Polskie Sieci Elektroenergetyczne S.A.	<i>Q1 2025</i>

1. Introduction

RR process overview



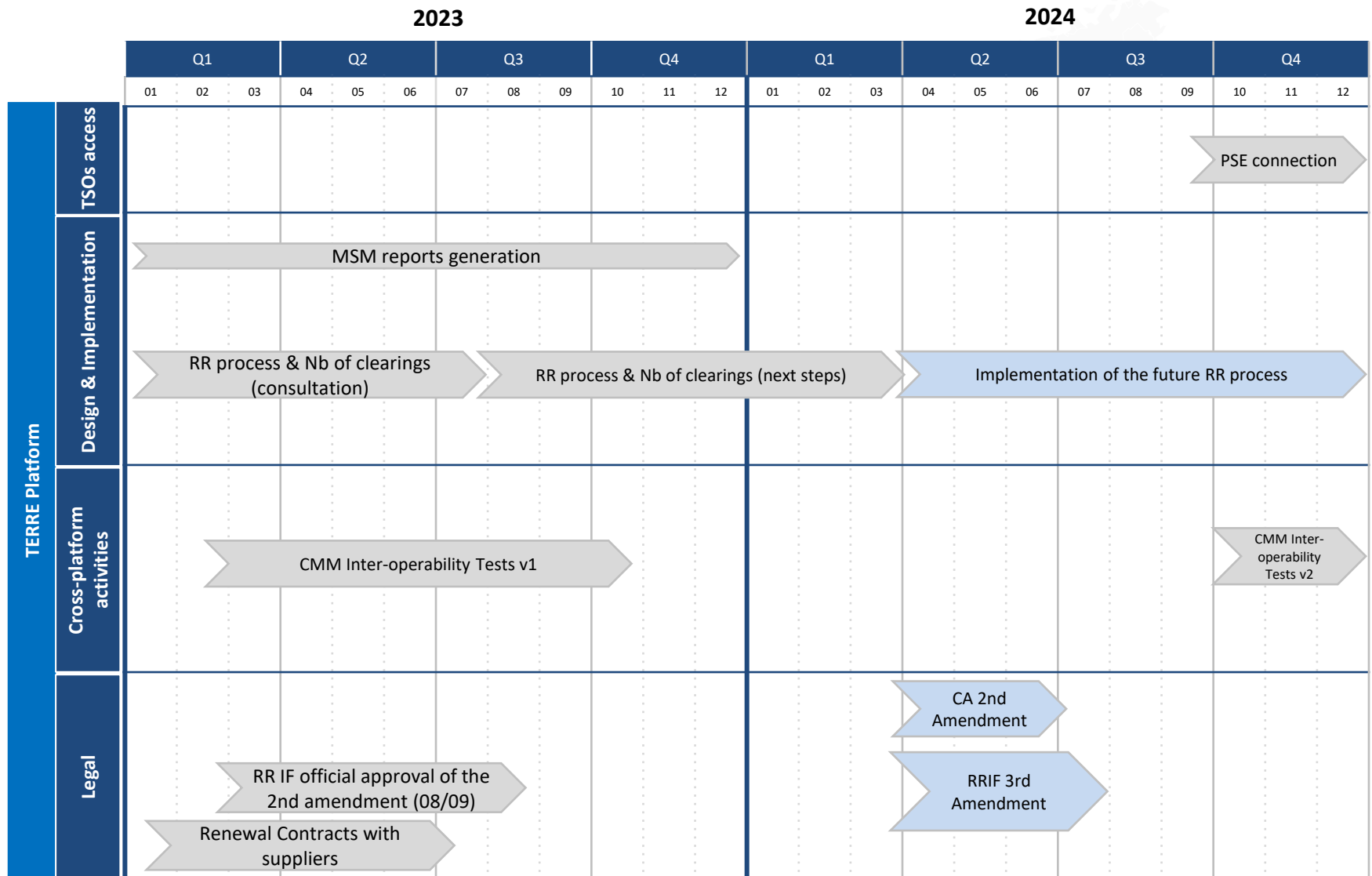
1. TSO receive bids from BSPs from their local balancing area/bidding zone.
2. TSOs put the valid RR bids on the LIBRA platform
3. TSOs send their needs and ATC values to the platform.
4. Platform runs the algorithm with offers and needs.
5. Communication of accepted offers, satisfied needs and marginal prices
6. Calculation of the bilateral exchanges between balancing areas and TSO-TSO settlement.
7. Residual ATC and net positions are communicated to TSOs



Topic 2: Last main project milestones and developments of the LIBRA platform

2. Last main project milestones and developments of the LIBRA platform

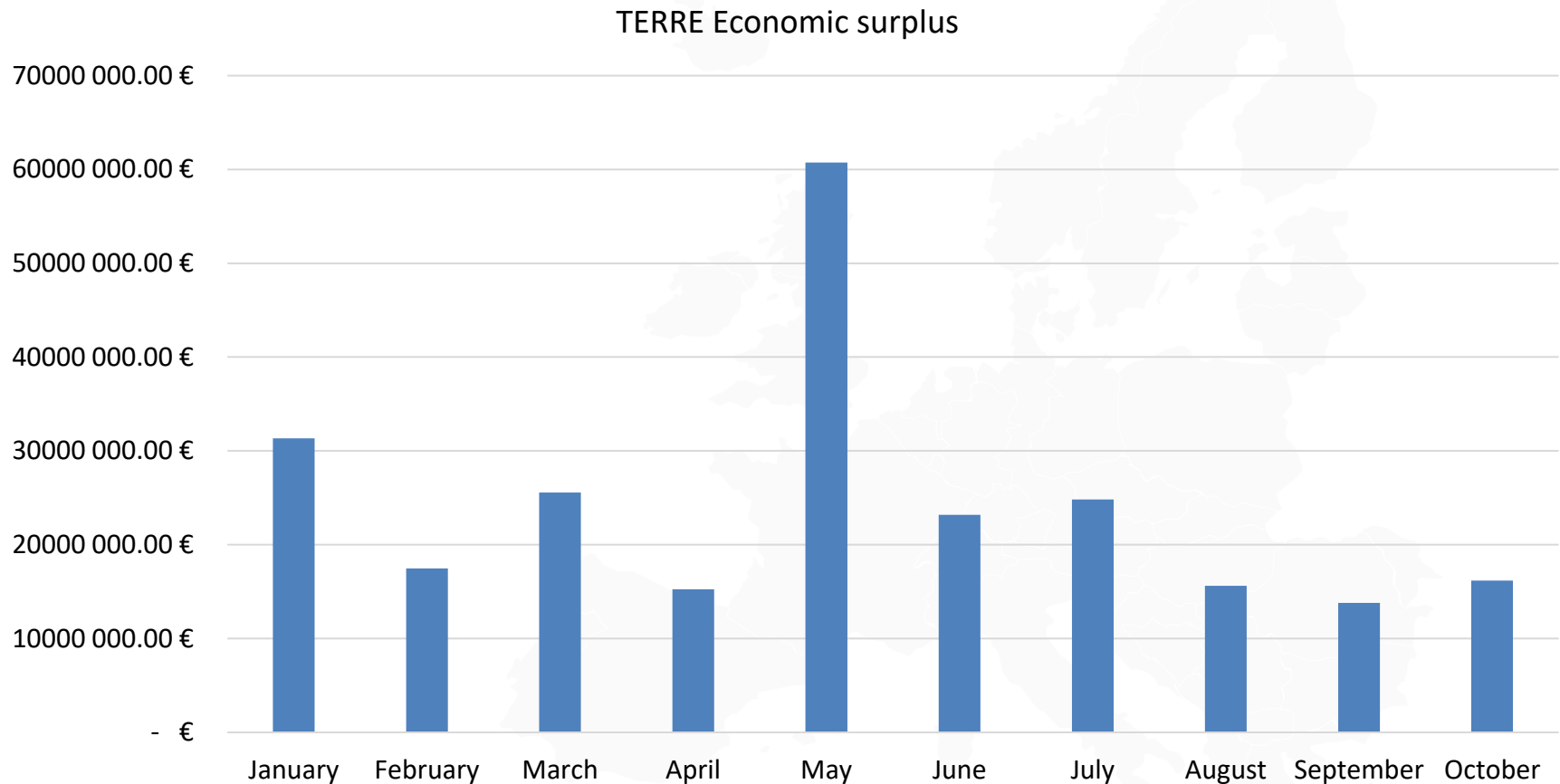
Overview ongoing and future tasks



Potential task

2. Last main project milestones and developments of the LIBRA platform

TERRE Economic surplus since January 2023



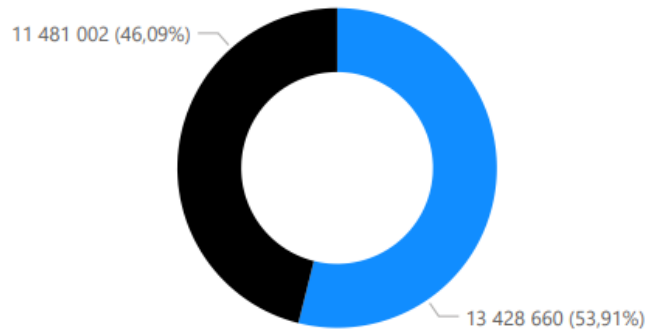
TERRE Economic surplus is significant and important with an average upper than 24 millions euros per month.

2. Last main project milestones and developments of the LIBRA platform

Key figures of last month – Volumes and accepted bids

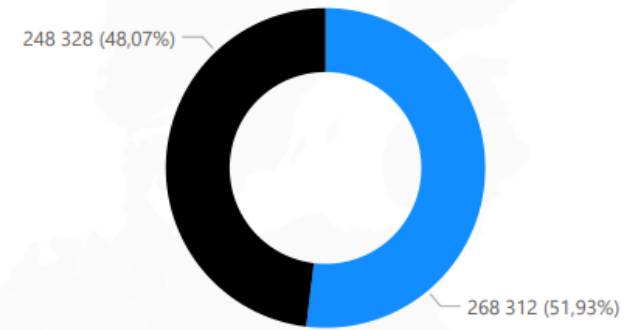
Volume of offered bids (MWh)

Direction ● UP ● DOWN



Volume of accepted bids (MWh)

Direction ● UP ● DOWN



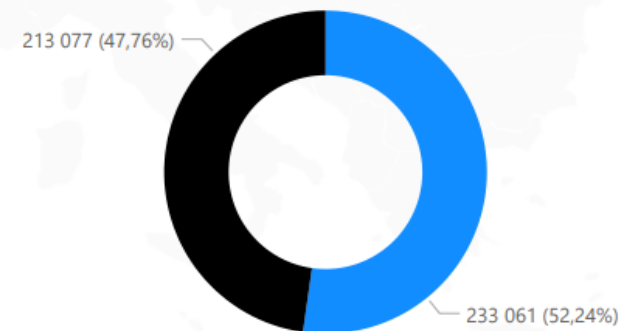
Volume of submitted needs (MWh)

Direction ● UP ● DOWN



Volume of satisfied needs (MWh)

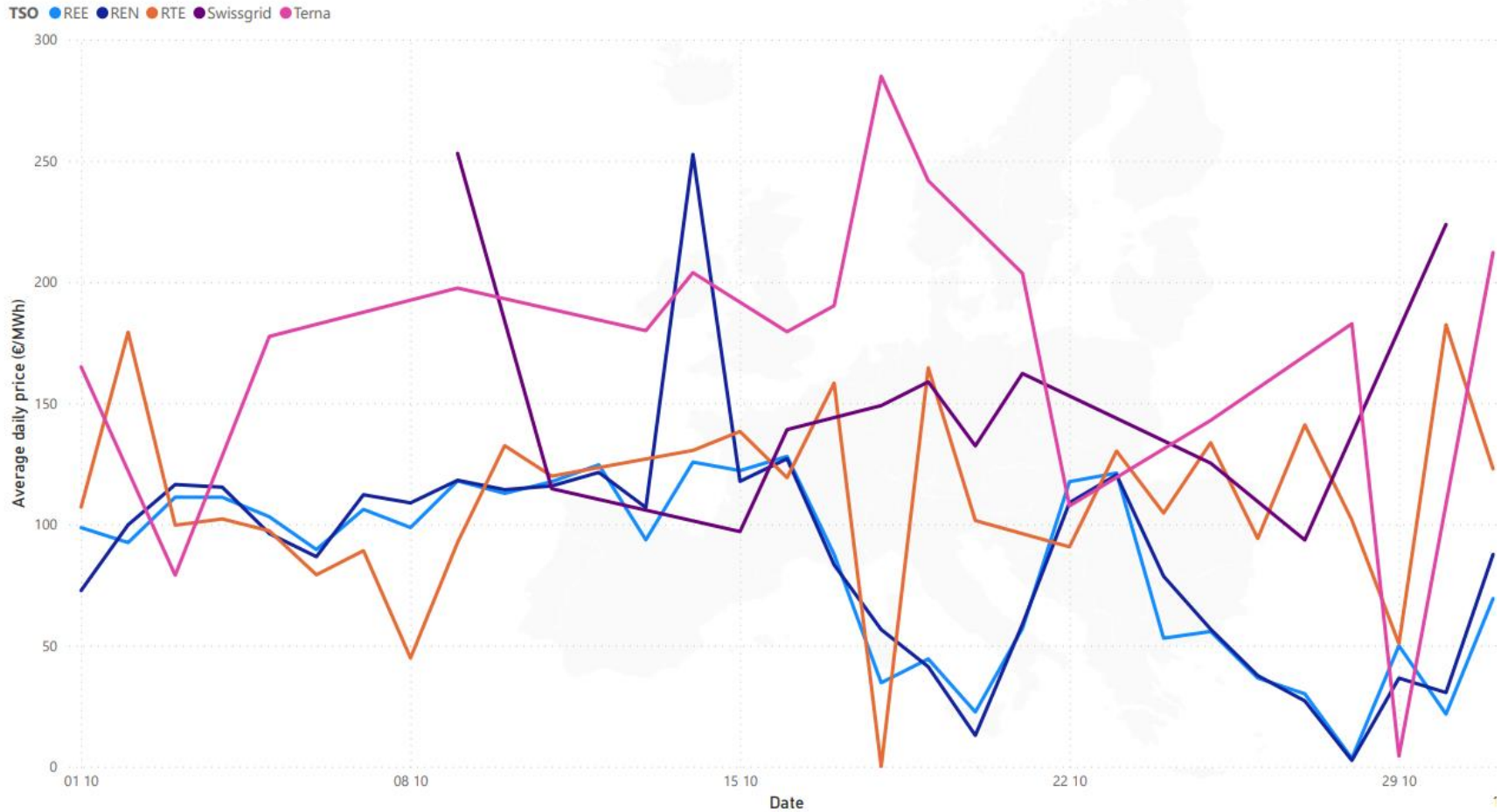
Direction ● UP ● DOWN



2. Last main project milestones and developments of the LIBRA platform

Key figures of last months – Price evolution

Average daily price of satisfied need by TSO

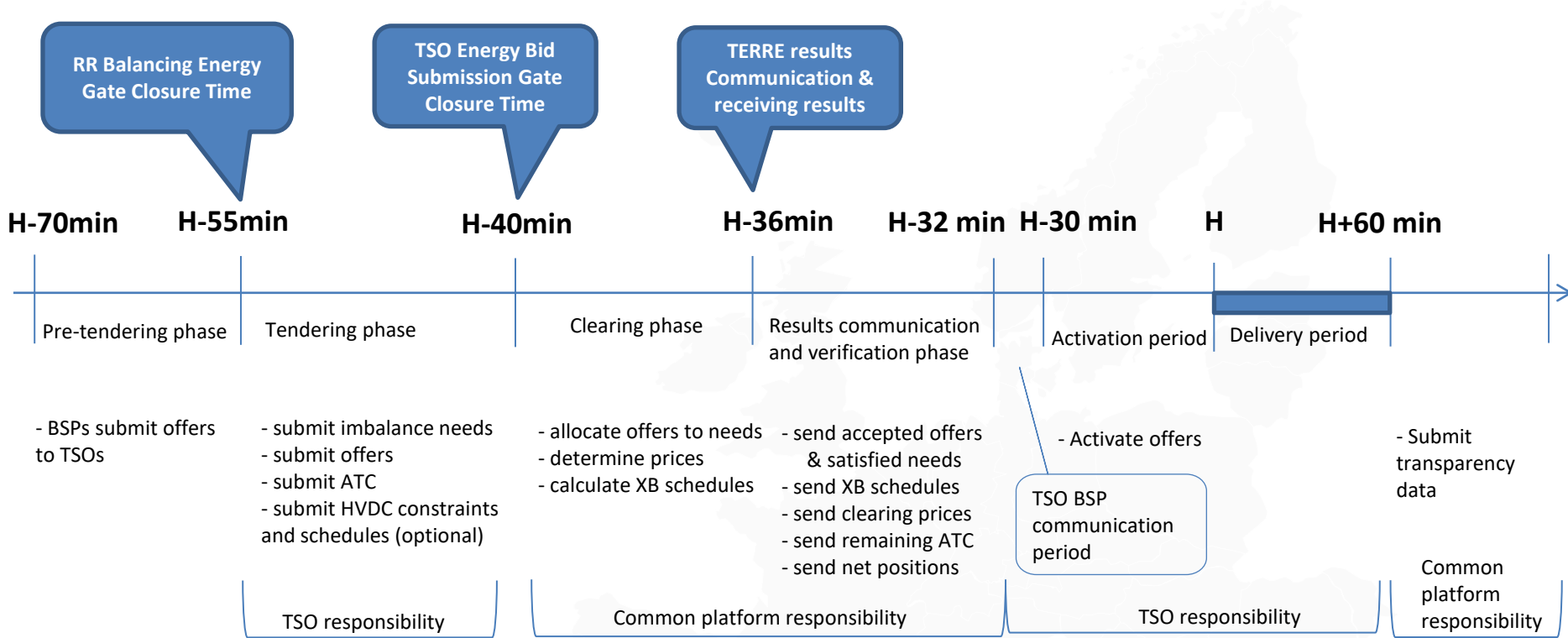




Topic 3: Upcoming major changes

3. Upcoming major changes

Increase of the number of clearing: reminder about the current RR process (1/3)



RR process consists of the following phases:

- Pre-tendering phase
- Tendering phase
- Clearing phase
- Results communication and verification phase
- Activation phase
- Delivery phase

3. Upcoming major changes

Increase of the number of clearing: reminder about the context (2/3)

▪ Reminder about the context

• RR IF Article 11.5:

(1) All RR TSOs shall harmonise number of daily clearings:

- (a) At the go-live of the RR-Platform, the number of daily gates will be 24. The RR TSOs will reduce the cross-border scheduling steps to less than 60 minutes for the borders included in the Region. **The deadline will be the date required by the EBGL for using the European Platform for exchange of mFRR** which is still subject for possible derogation and the date required by the CACM regulation for the intraday cross zonal gate closure frequency definition.
- (b) Starting from this deadline, **the cross-border scheduling step will be 15 minutes**, therefore an **increase of the number of daily gates, may be evaluated** taking into account the maturity of the European balancing market at that time.

• Consequences of the legal framework:

- The number of RR gates can only be increased once all RR TSOs have reduced the Cross-Border Scheduling Step to 15 min. The deadline required by EBGL for this change is on July 24, 2024 (deadline for implementing the mFRR platform);
- The increase of the number of gates in the RR process has to be done before the increase of the number of gates in the CZ ID.
- The overview of current planning and deadlines show that careful alignment is necessary;
- Taking into account all restrictions and preliminary assessment, **the change of RR process cannot take place before Q4 2024/Q1 2025.**

3. Upcoming major changes

Increase of the number of clearing: last updates (3/3)

■ Last updates

- TERRE TSOs opened a public survey to gather positions of all market participants from the 29th May to the 7th July 2023.
- Results of the public survey led to the conclusion that:
 - **Option 3**, although it minimises the impact on liquidity, is **not acceptable** because it does not provide the same level playing field between countries. Moreover, it would require the introduction of new pricing rules that would add complexity and opacity. However, it is the option that differentiates the most from the MARI process, being a strategic possibility for the endurance of TERRE.
 - **Option 1**, although the simplest for the TSO process, is **not desirable** because the introduction of the conditional link was not anticipated by the market parties, and it would make the RR process too similar to that of mFRR.
 - **Option 2**, which is favoured by a majority of stakeholders and TSOs, therefore **seems to be the best compromise** of the 3 options presented. However, only an in-depth impact assessment will provide visibility on the feasibility and implementation planning of that option at platform and local level. The resources and cost that this change would require should be evaluated in the context of current discussions regarding ID CZC GCT reduction. Lastly, it is an option very similar to the MARI process.
- Since results are available, TERRE TSOs are working jointly with RR NRAs to agree on a way forward for the future of the RR process. More information will be communicated later.

3. Upcoming major changes

Improvement of the reporting

Context

- Since the 2nd amendment of the RR IF has been officially approved by all RR NRAs, TERRE TSOs are working on the improvement of the reporting about the RR market to fulfil all new requirements included in the regulation.
- New indicators will be provided through monthly MSM reports (which will be published on ENTSO-E website) and in an annual report. All indicators are listed in the Article 15 of the RR IF (available on [ENTSO-E website](#)). These indicators will mainly provide information about:
 - Bids submitted in the platforms (number, volumes,...)
 - Requests for assistance made by TSOs
 - Fully divisible bids, divisible bids and block bids.
 - The use of elastic needs by TSOs
 - The size of the tolerance band per TSO
 - The usage of system constraints per TSO
 - Prices (daily average, price range,...)
 - Cross Zonal Capacities and congestions
 - Counter activations
 - URBs (volumes and comparison to activated volumes)
 - Indivisible bids per price interval



Topic 4: Questions and answers