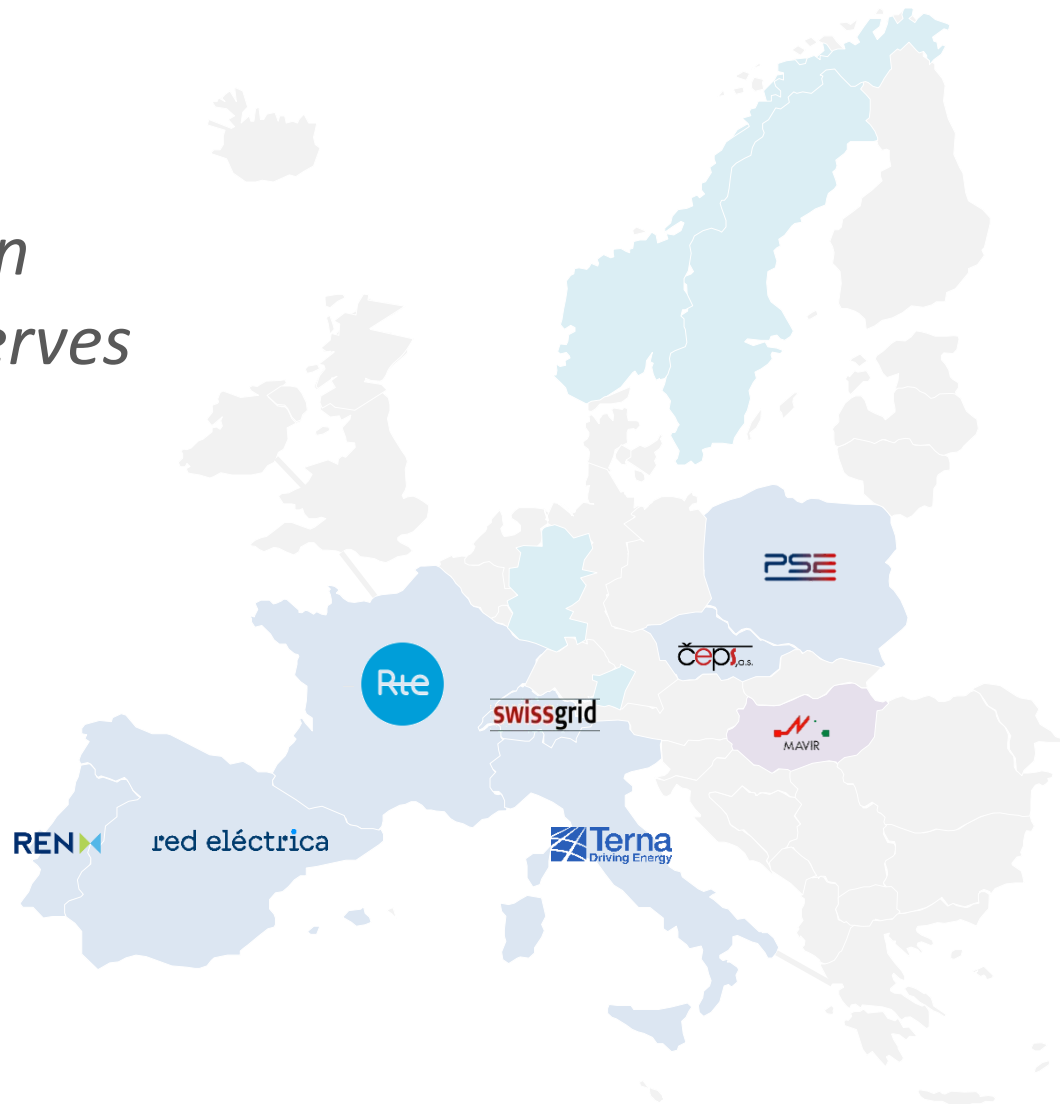


# TERRE

## *Trans European Replacement Reserves Exchange*

**Annual Stakeholder  
Workshop**

*11<sup>th</sup> December 2024*



# Agenda

## TERRE Stakeholder Workshop

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#	TOPICS	Timing (CET)
1	Introduction	15:10
2	Operational results	15:15
3	End of the TERRE project - Reason for the end of the project - Planning for the end of the project - Impact and consequences	15:20
4	Questions & Answers	15:45
End of the meeting		16:00










# Topic 1: Introduction

# 1. Introduction

## TERRE project - Participating TSOs

### TERRE Members (7 TSOs)




Czech Republic*	
France	
Italy	
Poland*	
Portugal	
Spain	
Switzerland	





\*TSO not connected to the platform

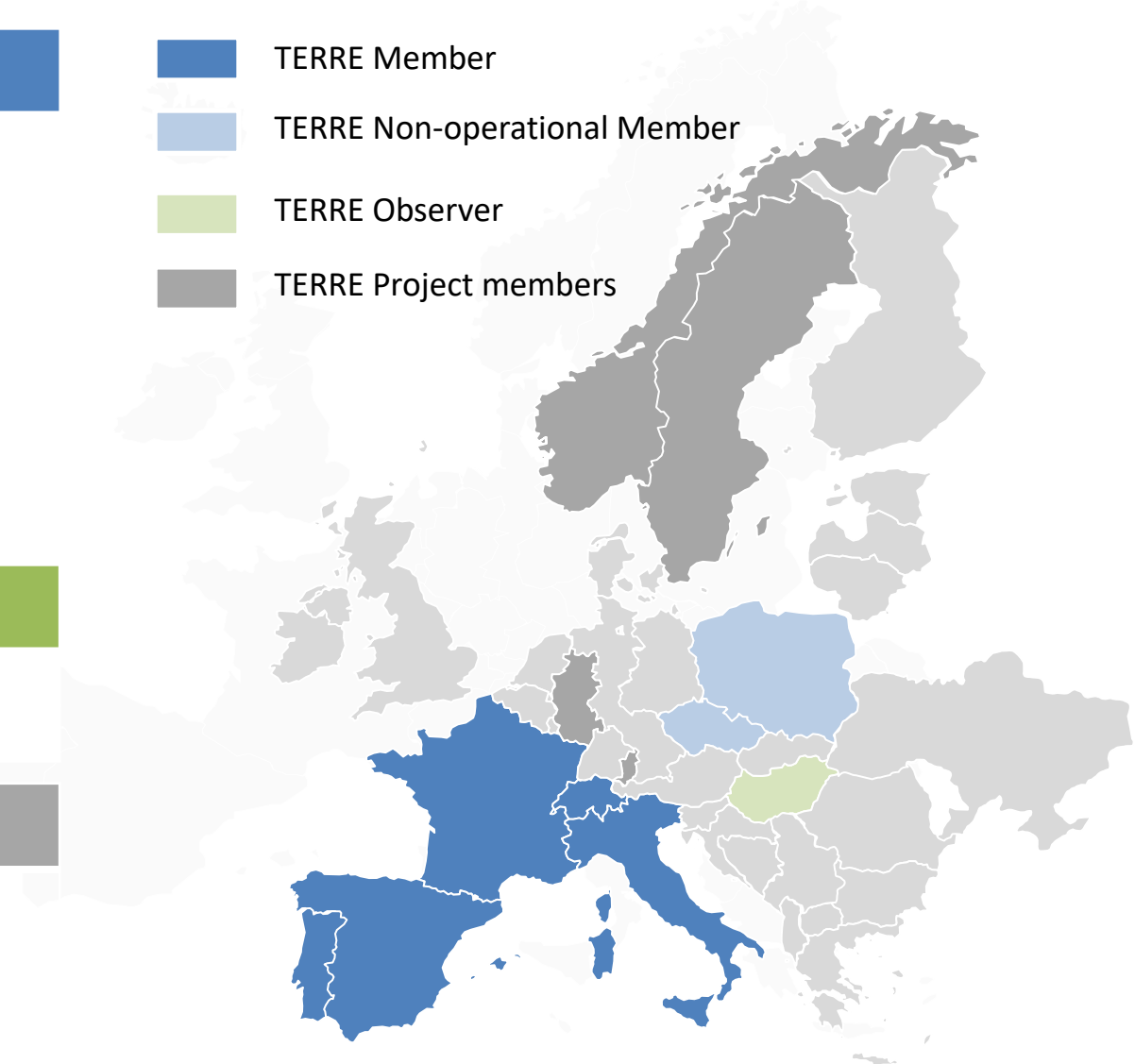
### TERRE Observers (2 TSOs + ENTSO-E)

Hungary	
ENTSO-E	

### Project Members (3 TSOs)

Germany	
Norway	
Sweden	

-  TERRE Member
-  TERRE Non-operational Member
-  TERRE Observer
-  TERRE Project members



# 1. Introduction

## Accession and disconnection timeline – past and foreseen

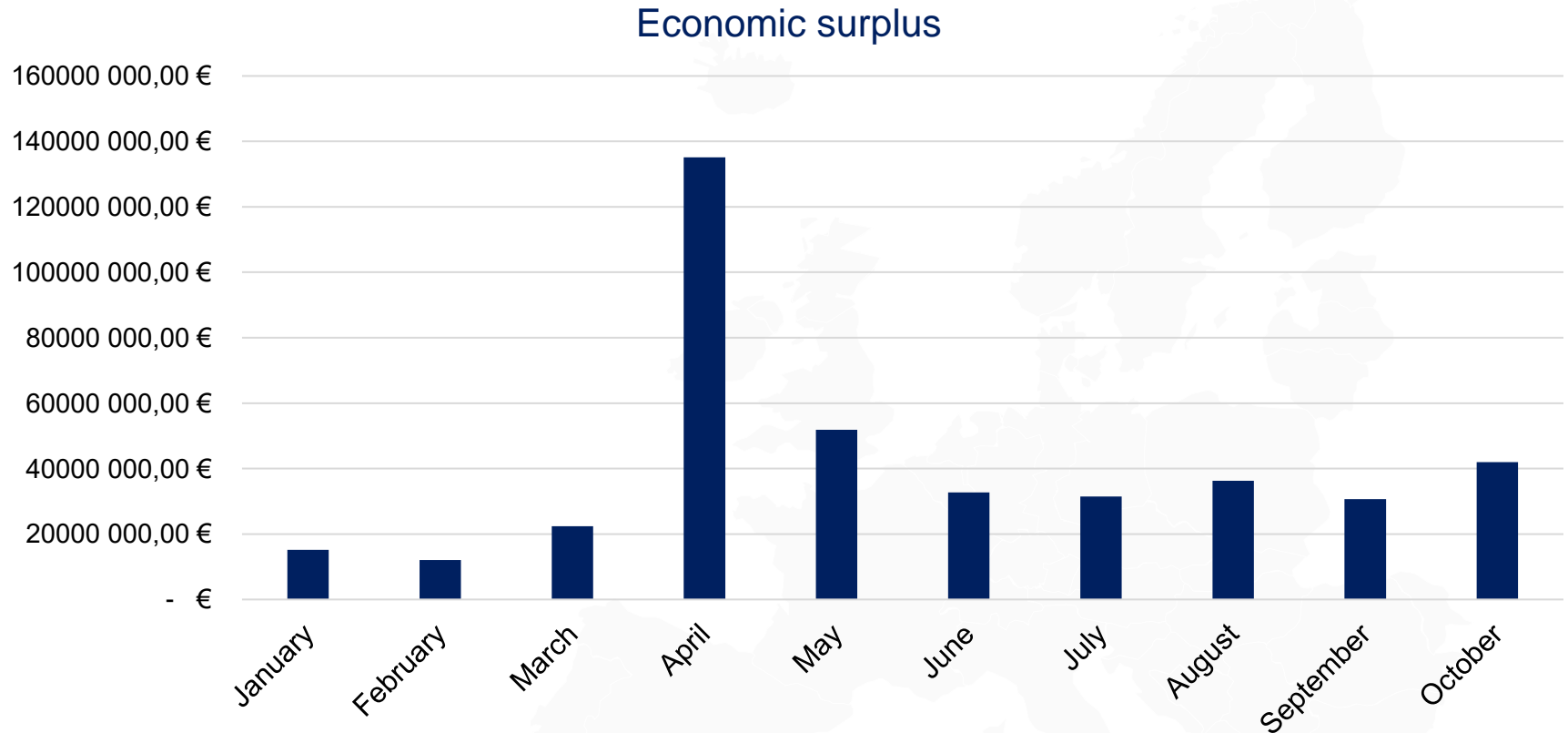
Status	Country	TSO	Date of accession
Connection	Czech Republic	ČEPS a.s.	6 January 2020
Connection	Spain	RE - Red Eléctrica de España S.A.U	3 March 2020
Connection	Portugal	REN – Rede Eléctrica Nacional, S.A	29 September 2020
Connection	Switzerland	Swissgrid AG	8 October 2020
Connection	France	RTE - Réseau de Transport d'Electricité	2 December 2020
Connection	Italy	Terna - Rete Elettrica Nazionale SpA	13 January 2021
<i>Exit from the project</i>	United Kingdom	National Grid Electricity System Operator Ltd	<i>16 December 2022</i>
<i>Disconnection</i>	Czech Republic	ČEPS a.s.	1 July 2024
<hr/>			
<i>Will not connect</i>	Poland	PSE - Polskie Sieci Elektroenergetyczne S.A.	NA
<i>Disconnection</i>	Italy	Terna - Rete Elettrica Nazionale SpA	1 January 2025
<i>Disconnection</i>	Spain	RE - Red Eléctrica de España S.A.U	TBD
<i>Disconnection</i>	Portugal	REN – Rede Eléctrica Nacional, S.A	TBD
<i>Disconnection</i>	Switzerland	Swissgrid AG	TBD
<i>Disconnection</i>	France	RTE - Réseau de Transport d'Electricité	TBD



## **Topic 2: Operational results**

# Operational results

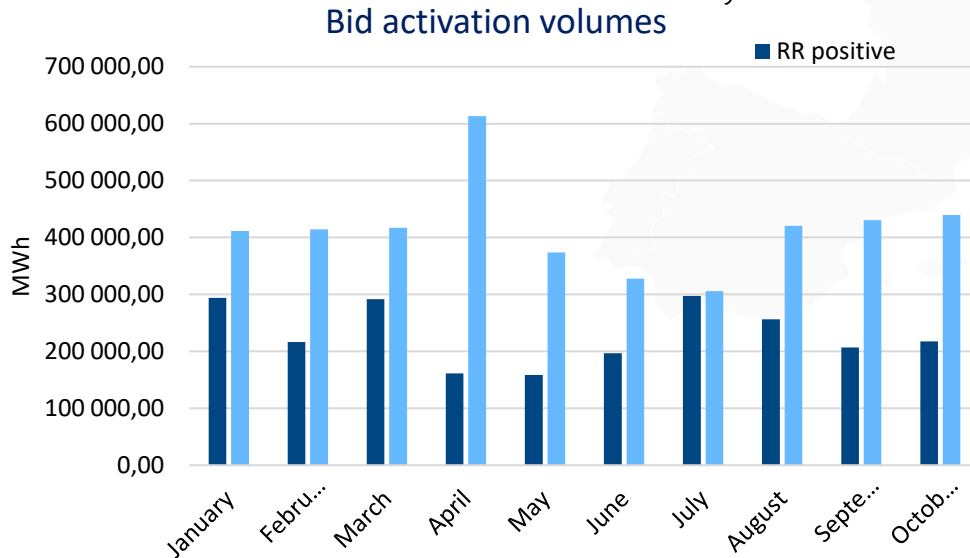
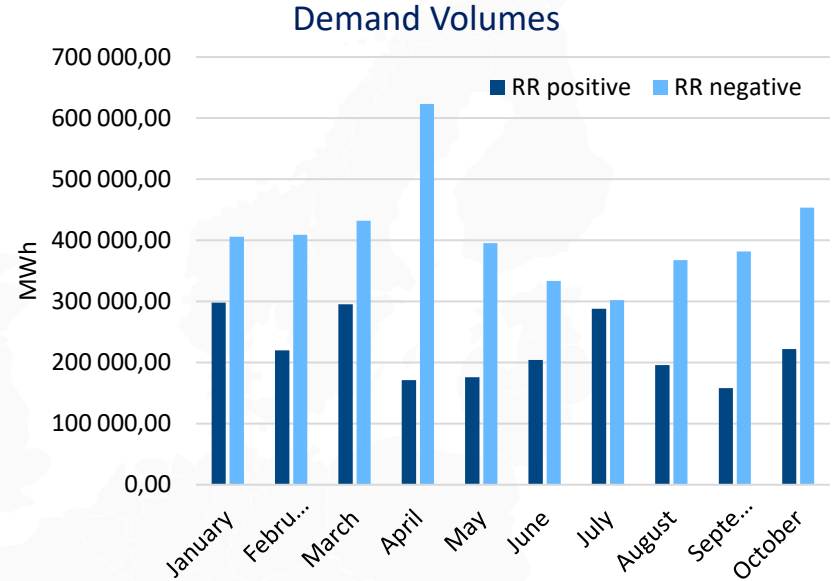
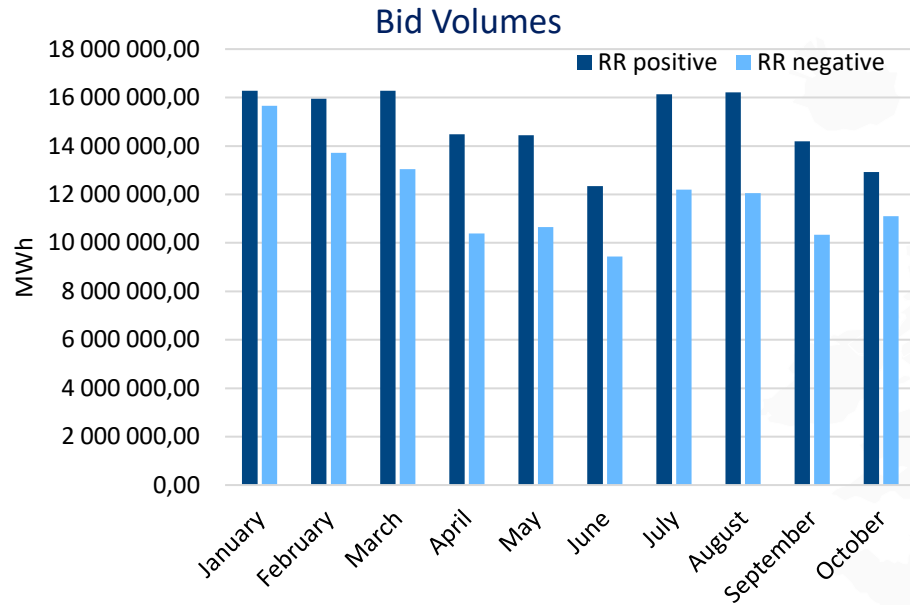
## TERRE Economic surplus from January to October 2024



- TERRE platform provides important financial benefits for all countries involved in the project, more than 40 million € per month on average during the beginning of year 2024. During the month of April, the global economic surplus reaches more than 135 million € in total.
- The high economic surplus recorded in April is directly linked with an important demand in the negative direction.

# Operational results

## TERRE Economic surplus from January to October 2024



- An important volume of bids is processed by the TERRE platform each month: on average more than 10 TWh in both directions.
- Globally, volume of bids is much more important than the volume of demands which conduct to a high rate of demands fulfilled by the TERRE platform
- During Q3/2024, the number of activated volumes was on average around 253 000 MWh in positive direction and 385 000 MWh in negative direction.
- The LIBRA platform was available at all times, with the only exception of a 4h incident on September 26th.





## **Topic 3: End of the TERRE project**

# End of the TERRE project

## The reason that conducted to the end of the project

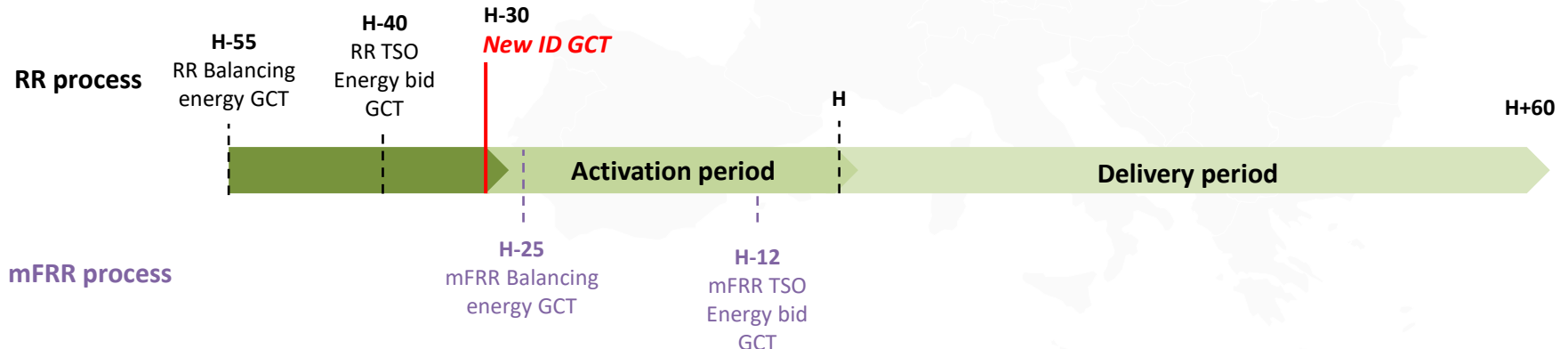
### ▪ The new Electricity Market Design Regulation (EMDR)

- The new Electricity Market Design Reform (EMDR), adopted on the 21st of May 2024, establishes a new **Cross-Zonal Intraday Gate Closure Time 30 minutes before real-time**, effective 1<sup>st</sup> of January 2026.

(5) Article 8 was amended, (a) paragraph 1 is replaced by the following:

‘NEMOs shall allow market participants to trade energy as close to real time as possible and at least up to the intraday cross-zonal gate closure time. By 1 January 2026, the intraday cross-zonal gate closure time shall be at the earliest 30 minutes ahead of real time.’

- Unfortunately, the **Replacement Reserve (RR) process is not compatible with this new timing imposed by the EMDR**. This is because the current process is composed of a long Full Activation Time (FAT), which cannot be reduced due to potential similarities with the mFRR process (see below) and the important loss of liquidity this reduction would imply.
- Both statements were confirmed by stakeholders, through the public survey organized for the implementation of 96 clearings in the RR process ([link](#)).



# End of the TERRE project

## The reason that conducted to the end of the project

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### ▪ Conclusion

- ➔ **As a result, it is no longer viable to continue with the TERRE project. As the new IDGCT will have to be applied starting from January 2026, TERRE TSOs decided to continue to use the platform until this date.**
- ➔ **TERRE TSOs share their official decision to end the project on Monday 9th of December 2024 in a public letter published on ENTSO-E website ([link](#)).**
- ➔ As a direct consequence, at the time when TERRE TSOs finalized this assessment, they decided not to implement 96 clearings in the RR process, given the significant financial investment required likewise effort on the TSOs and BSP side for a relatively short period of operations. This decision was presented in detail in a public Stakeholder Workshop on the 17<sup>th</sup> of May 2024 ([link](#)) and officially shared on the 7<sup>th</sup> of June 2024 in ENTSO-E website ([link](#)).
- ➔ For six months, TERRE TSOs have been working on how the project should be ended properly on the operational, legal and financial aspects.
- ➔ RR NRAs have been continuously included during the whole progression of TERRE TSOs' statement and are still accompanying them for the closure of the project.

# End of the TERRE project

## Planning for the end of the project

TERRE TSOs decided to follow the below scenario that conducts to a smooth end of the TERRE project, in a coordinated manner, considering all TSOs constraints. The end of operations is planned at end 2025:

2024				2025				2026	
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2



- CEPS has been disconnected from the LIBRA platform since the 1st of July 2024.
- PSE will finally not go live before the end of the project.
- Terna will disconnect from the LIBRA platform on the 1<sup>st</sup> of January 2025.
- CEPS, PSE and Terna will be still involved in the TERRE project to participate to the decommissioning of the platform in 2026.
- Red Electrica, REN, RTE and Swissgrid will continue using the platform with 24 clearings until the 31st of December 2025 at the latest. Each TSO can disconnect from the platform before in a coordinated way with other TSOs.
- **TERRE operations will be stopped on the 31<sup>st</sup> of December 2025.**
- **TERRE platform decommissioning will start on the 1<sup>st</sup> of January 2026.**

# Information about the future of the project

## Impact and consequences

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- **Legal impact**

As stipulated by RR NRAs during the TERRE public stakeholder workshop, the end of the TERRE project has a direct consequence on the use of RR product for TERRE TSOs.

Indeed, as TERRE TSOs will not be involved anymore in a European implementation project for exchanging replacement reserves in line with the article 19 of the Electricity Balancing Guideline, it will no longer be feasible for European RR TSOs to exchange RR standard products under these new circumstances. TSO members of the TERRE project will gradually stop to perform the reserve replacement process in accordance with Part IV of Regulation (EU) 2017/1485. Instead, TERRE project member TSOs will replace the RR process and its products with alternative solutions.

This important consequence will be managed at national level to take into account TSOs constraints and ensure the security of balancing in each country.

- **Operational impact**

Each TERRE TSO has investigated the operational impact of the end of the TERRE project for the security of their balancing. Stakeholders are invited to contact their respective TSO in case they want to have more information.

For most of the TSOs, a decrease of liquidity is expected, and they are investigating together with their NRA the ways to mitigate it.

However, with the connection to the MARI platform, it is anticipated that for some TSOs there will be a limited impact on liquidity due to a full transition of BSPs to MARI.



## Topic 4: Questions and answers