

Webinar:

Suspension of market activities

25 March 2020

Agenda

1

Rules for suspension of market activities

I

Legal basis

II

Market activities

2

Report on harmonisation of suspension and restoration of market activities – Article 36(7)

I

Legal basis

II

Process and scope

III

Survey

Disclaimers

This webinar is based on current knowledge

It seems that this topic is quite difficult for NRAs – after a year about 1/3 of submissions is in state: not approved and no Request for Amendment

It seems that this topic is quite difficult for TSOs – only about less than 1/2 approved

The result of the survey will provide us insight on how each TSO is/will operating/operate these rules

Rules for suspension

Introduction

Legal basis: relevant articles (1/3)

Regulation 2017/2196 establishing a network code on electricity emergency and restoration

CHAPTER IV MARKET INTERACTIONS

Article 35

Procedure for suspension of market activities

1. A TSO may temporarily suspend one or more market activities laid down in paragraph 2 where:

(a) the transmission system of the TSO is in blackout state; or

(b) the TSO has exhausted all options provided by the market and the continuation of market activities under the emergency state would deteriorate one or more of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485; or

(c) the continuation of market activities would decrease significantly the effectiveness of the restoration process to the normal or alert state; or

(d) tools and communication means necessary for the TSOs to facilitate market activities are not available.

Legal basis: relevant articles (2/3)

Regulation 2017/2196 establishing a network code on electricity emergency and restoration

Article 35

Procedure for suspension of market activities

2. The following market activities may be suspended pursuant to paragraph 1:

- (a) the provision of cross zonal capacity for capacity allocation on the corresponding bidding zone borders for each market time unit where it is expected that the transmission system shall not be restored to the normal or alert state;*
- (b) the submission by a balancing service provider of balancing capacity and balancing energy bids;*
- (c) the provision by a balance responsible party of a balanced position at the end of the day-ahead timeframe **if required by the terms and conditions related to balancing**;*
- (d) the provision of modifications of the position of balance responsible parties;*
- (e) the provision of schedules referred to in Article 111(1) and (2) of Regulation (EU) 2017/1485, and*
- (f) other relevant market activities the suspension of which is deemed necessary to preserve and/or restore the system.*

Legal basis: relevant articles (3/3)

Regulation 2017/2196 establishing a network code on electricity emergency and restoration

CHAPTER IV MARKET INTERACTIONS

Article 36

Rules for suspension and restoration of market activities

1. By 18 December 2018, each TSO shall develop a proposal for rules concerning the suspension and restoration of market activities.

Article 39

Rules for settlement in case of suspension of market activities

1. By 18 December 2018, each TSO shall develop a proposal for rules for imbalance settlement and settlement of balancing capacity and balancing energy which shall be applicable for imbalance settlement periods during which the market activities were suspended. The TSO may propose the same rules it applies for normal operations.

Market activities - Introduction

Here we were going to present some insight on the European perspective on suspension of market activities:

- What is common for majority
- What is different for each TSO – after information is gathered. This insight will be necessary to explain the survey

In today's webinar we won't discuss any national rules

- Sometimes there is no clear border between TSOs intervention within market rules and suspension of market activity
- The rules for suspension and restoration of market activities are NOT understandable without knowledge of national grid codes/methodologies

Market activities – Explanation of what does it means by market suspension

What are the market activities that will be suspended?

There is non-exhaustive list in art. 35(2). It can be supplemented by national rules – so far ENTSO-E identified following additional activities:

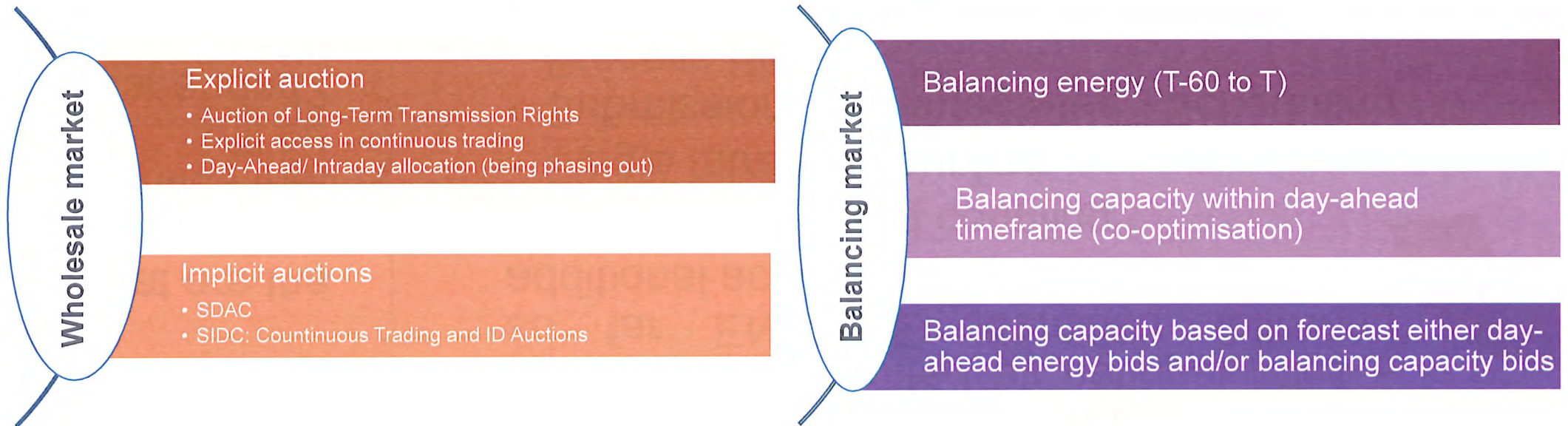
- Single Day-Ahead coupling
- Single Intraday coupling
- Submission of Integrated Scheduling Process Bids
- Cooperation with Balancing Platforms
- Application of all standard procedures

Are all market activities suspended?

No, market activities to suspend are chosen depending on situation (e.g. blackout, system split, ...).

Activity: Provision of cross-zonal capacity

According to current practices/legislation this activity is performed in both wholesale market and balancing market.



Activity: Provision of cross-zonal capacity

Who is performing this activity?

TSOs (or CCC on behalf of TSOs)

Definition of this activity

This activity is directly towards Market Participants (explicit auctions) or towards NEMOs (implicit auctions)

In practice suspension of this activity is already harmonised – CACM/FCA provides harmonised framework, that includes:

- Reduction of unallocated cross-zonal capacity
- Curtailment of allocated cross-zonal capacity

In case this activity is suspended what happens?

Curtailment and reduction are not suspension of market activities. However suspension of provision of cross-zonal capacity would in vast majority of cases have equivalent effect. When it has equivalent effect - it generally needs to be treated as relevant market intervention (reduction, curtailment) – otherwise this would breach requirements of art. 36(3)(a) and 39(3) of E&R NC

Activity: EBGL Processes

Who is performing this activity?

TSOs, BRPs, BSPs and Third party Market Operators¹

Definition of this activity

- EBGL and the respective proposals define requirements for the submission of balancing capacity and energy bids, merit order based activation, European platforms for balancing as well as imbalance settlement
- During market suspension some of the processes might be suspended, e.g.
 - the balancing capacity might not be procured via a market based mechanism but reserved based on the instructions of the TSO.
 - the activation of balancing energy might not follow the merit order list due to operational security issues;
 - the obligations to be balanced for BRPs might be suspended.
 - the participation in the balancing platforms might be suspended
- As the balancing market might be suspended, the respective settlement processes might be suspended as well.

In case this activity is suspended what it happens?

- The TSOs will follow the respective action plan, for example:
 - If the provision of balancing capacity and/or balancing energy bids is suspended, the TSO could organise the availability of reserves via direct instructions to generating units.
 - Instead of BRPs balancing the portfolio the TSOs could take on the responsibility to cover the load

¹When applies (e.g. GB)

Activity: Suspension of activation rules for balancing energy bids

Who is performing this activity?

TSOs

Definition of this activity

Currently, the TSOs have either a pro-rata or a merit-order-based activation of balancing energy. In future, EBGL prescribes merit-order based activation for standard product bids.

In case this activity is suspended what it happens?

In case the activity is suspended, the TSO will activate balancing energy via the rules for the market suspension state. In particular, the merit-order based activation may be suspended.

Activity: provision of schedules (article 111 SOGL)

Who is performing this activity?

Scheduling agent and TSOs operating the scheduling area and Third party Market Operators¹

Definition of this activity

The external commercial trade schedules.

In case this activity is suspended what it happens?

- Curtailment of allocated capacities
- No nomination of PTRs, where relevant

It generally needs it be treated as relevant market intervention – otherwise this is would breach requirements of art. 36(3)(a) and 39(3) of E&R NC

¹When applies (e.g. GB). In case of GB, commercial trade schedules are equivalent to GB energy contract volume notifications which are administered by ELEXON

Activity: provision of schedules (article 111 SOGL)

Who is performing this activity?

Scheduling agent and TSOs operating the scheduling area and Third party Market Operators¹

Definition of this activity

These schedules - if requested by the TSO, and where applicable- are:

- (a) generation schedules;
- (b) consumption schedules;
- (c) internal commercial trade schedules;

In case this activity is suspended what happens?

The TSOs will follow the respective action plan, which depend on the relevant national regulations (e.g. Terms and Conditions for balancing)

¹When applies (e.g. GB). In case of GB, commercial trade schedules are equivalent to GB energy contract volume notifications which are administered by ELEXON

Activity: Single day-ahead coupling

Who is performing this activity?

NEMOs

Definition of this activity

This activity is defined in Article 2(26) of CACM GL

[‘single day-ahead coupling’ means the auctioning process where collected orders are matched and cross-zonal capacity is allocated simultaneously for different bidding zones in the day-ahead market]

In case this activity is suspended what it happens?

In case this activity is suspended, the following happens:

- Cross-zonal capacity concerning relevant bidding zone is no longer allocated
- Bids in the relevant bidding zone are no longer matched
- Market price is no longer calculated

Activity: Single intraday coupling

Who is performing this activity?

This activity is performed primarily by NEMOS

Definition of this activity

This activity is defined in Article 2(27) of CACM GL

[*'single intraday coupling'* means the continuous process where collected orders are matched and cross-zonal capacity is allocated simultaneously for different bidding zones in the intraday market]

In case this activity is suspended what happens?

In case this activity is suspended, the following happens:

- Cross-zonal capacity concerning relevant bidding zone is no longer allocated
- Bids in the relevant bidding zone are no longer matched

Activity: Application of standard procedures

Who is performing this activity?

TSOs

Definition of this activity

Basically suspension of these activities means direct control by TSO.

In case this activity is suspended what it happens?

In this situation TSO operates system according to current system state (e.g. in case of blackout according to system restoration plan) taking into account available information and available communication means – not according to standard procedures established in Terms and Conditions for balancing.

Rules for suspension

Report on harmonisation of suspension and restoration of market activities

Legal basis

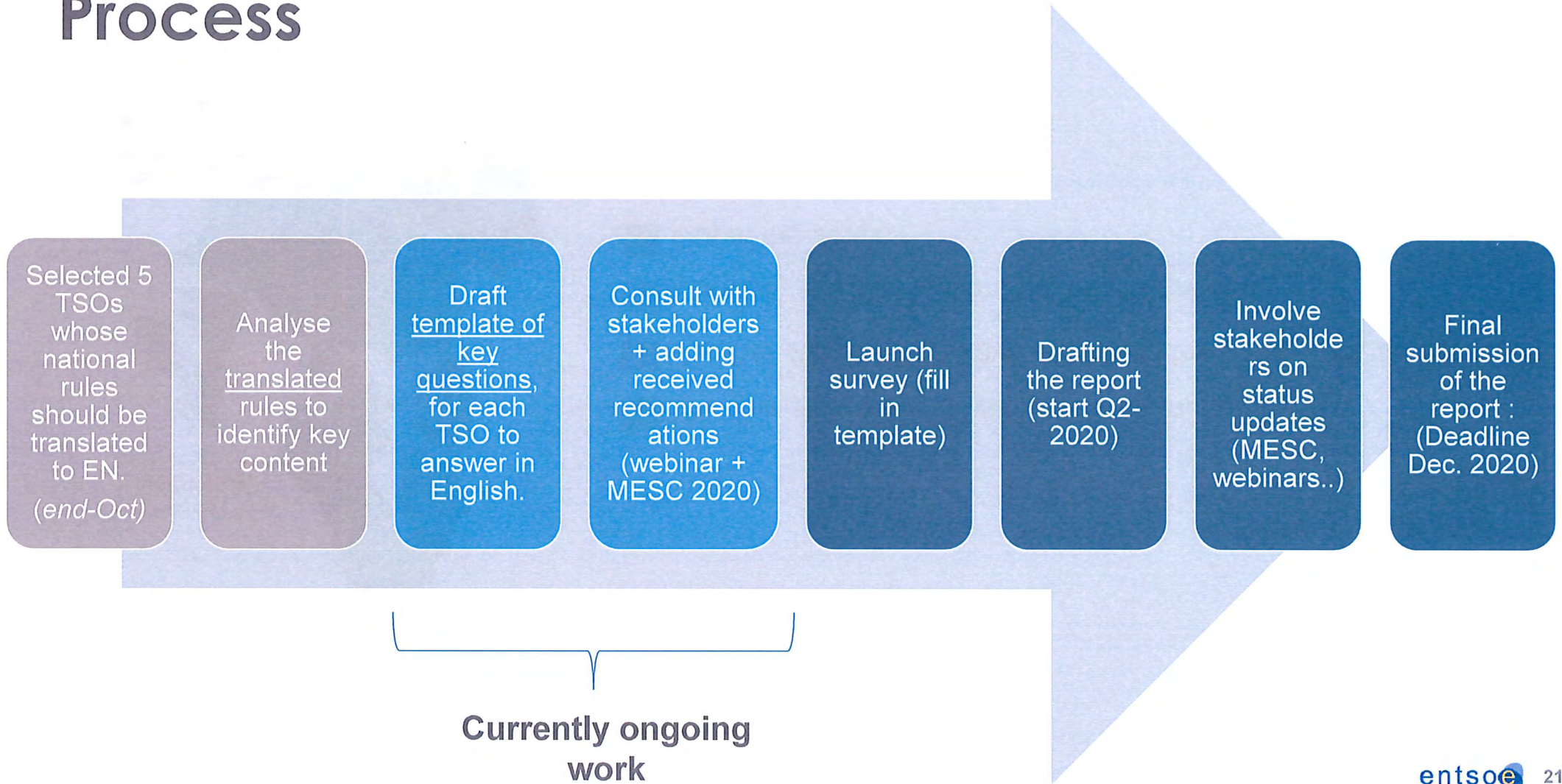
Regulation 2017/2196 establishing a network code on electricity emergency and restoration

Article 36

Rules for suspension and restoration of market activities

7. By 18 December 2020, ENTSO for Electricity shall submit to the Agency a report assessing the level of harmonisation of the rules for suspension and restoration of market activities established by the TSOs and identifying, as appropriate, areas that require harmonisation.
8. By 18 June 2019, each TSO shall submit to ENTSO for Electricity the data required to prepare and submit the report in accordance with paragraph 7.

Process



Survey: Background information

In case situation listed in article 35(1) of NC E&R, will your TSO use the rights given by articles 35(2) and 35(3) of NC E&R?

- If given TSO intends to suspend market activities on basis of NC E&R or use local legislation to achieve similar results (e.g. direct control by setting up set points of SGUs¹)
- If these possibility was invoked (so far)

Different approach from your(s) neighbour TSO(s)

- If there is a significant problem for the operation of the control area
- If there is a significant non-operational problem (e.g. settlement) for the operation of the control area

¹ Article 35(3) of NC E&R

Survey: In case of...

...blackout in accordance with article 35(1)(a) of NC E&R

- If given TSO intends to suspend market activities in case of blackout
- If given TSO define additional criteria beyond SOGL

...emergency state in accordance with article 35(1)(b) of NC E&R?

- If given TSO intends to suspend market activities in case of emergency state
- If given TSO define the parameters according to Article 36(4) of NC E&R

Survey: In case of...

... restoration process in accordance with article 35(1)(c) of NC E&R

- If given TSO intends to suspend market activities in case of blackout
- If given TSO define additional criteria beyond SOGL

...unavailability of tool/communication means

- If given TSO intends to suspend market activities in case of unavailability of tool/communication means
- If given TSO define the parameters according to Article 36(4) of NC E&R

Survey: Your TSO intend to suspend... (1/2)

...(provision) of cross-zonal capacity in accordance with article 35(2)(a) of NC E&R

- Lead time

...(provision) of balancing capacity in accordance with article 35(2)(b) of NC E&R

- Lead time

...(provision) of balancing energy bids in accordance with article 35(2)(b) of NC E&R

- Lead time

...(provision) of of a balanced position at the end of the day-ahead timeframe in accordance with article 35(2)(c) of NC E&R

- Lead time

...(provision) modification of BRPs position in accordance with article 35(2)(d) of NC E&R

- Lead time

...external commercial trade schedules in accordance with article 35(2)(e) of NC E&R

- Lead time

...internal commercial trade schedules in accordance with article 35(2)(e) of NC E&R

- Lead time

...generation schedules in accordance with article 35(2)(e) of NC E&R

- Lead time

...consumption schedules in accordance with article 35(2)(e) of NC E&R

- Lead time

Survey: Your TSO intend to suspend... (2/2)

...Single day-ahead coupling in accordance with article 35(2)(f) of NC E&R

- Lead time

...Single intraday coupling in accordance with article 35(2)(f) of NC E&R

- Lead time

...submission of integrated scheduling process bids in accordance with article 35(2)(f) of NC E&R

- Lead time

...participation in the balancing platforms in accordance with article 35(2)(f) of NC E&R

- Lead time

...suspension of activation rules for balancing energy bids in accordance with article 35(2)(f) of NC E&R

- Lead time

...application of standard procedures in accordance with article 35(2)(f) of NC E&R

- Lead time

Survey: would you like to provide feedback?

Please contact to Gonzalo Morollón Castro (gonzalo.morollon@entsoe.eu)

Subject of email: E&R Survey | (name of the company/association)

Deadline: 10 April at 12:00

Thank you for your attention
