Suspension and restoration of market activities

Introduction

Article 35.2 and 37 define market activities that may be suspended and restored. The first five (a-e) are related to activities related to transfer of data from one entity to another. Each TSO needs to assess whether there are additional rights or obligations for both TSOs and market parties due to suspension of submission of this data (i.e. suspension of market activities).

The sixth and last one (f) relates to "other relevant market activities the suspension of which is deemed necessary to preserve and/or restore the system". Hereunder follows a list of other market activities for which it will be indicated whether they may be suspended or not during emergency, blackout or restoration system state. It is explicitly mentioned that TSOs can deviate from this guidance as they think appropriate.

Other market activities

1. *Long term capacity allocation*. This activity does not have to be suspended as it won't affect the system state. Besides, this leaves open the possibility of postponing any long-term auction by the Joint Auction Office in cooperation with the relevant TSOs. It is also noted that TSOs have other tools to mitigate these issues: capacity curtailment and the application of Reduction Periods.
2. *Day ahead market coupling*. Countries that are not affected by blackouts or emergencies are keeping the day ahead market coupling running. In case of blackouts or emergencies, TSOs will apply the appropriate single day ahead coupling procedures (e.g. partial decoupling[[1]](#footnote-1)). The single day ahead coupling should not deteriorate restoration processes. Please note that following these procedures ultimately may result in suspending the day ahead market coupling for a country or TSO.
3. *Intraday market coupling*. Countries that are not affected by blackouts or emergencies are keeping the intraday market coupling running. In case of blackouts or emergencies, TSOs will apply the appropriate single intraday market coupling procedures. The single intraday market coupling should not deteriorate restoration processes. Please note that following these procedures ultimately may result in suspending the intraday market coupling for a country or TSO.
4. *Intraday market parties' trading on a PX platform within a Bidding Zone.* This activity can be suspended and restored upon the discretion of each individual TSO.
5. *Balancing markets*. For the smooth market restoration it is advised that the balancing markets is kept running at all times (at least in order to maintain receiving bids that relate to future timeframes in which the emergency or black-out is solved), if this is possible and makes sense in the framework of national procurement rules. Please note that it might be necessary to suspend some activities, for example submitting bids to a European balancing platform.
6. *OTC-trade*. OTC trades (Over The Counter Trades) are not organized by TSOs. However, TSOs that receive notification[[2]](#footnote-2) of OTC-trades have the right to reject these.
7. *Imbalance settlement*. Reference to NC ER article 39.1 that stipulates the requirement for a TSO to come up with a proposal for imbalance settlement.

In case any of these activities are suspended, it is important to bear in mind that there is a difference between system states and functioning of market activities: a situation could occur in which the transmission system is back to normal state, but the market activity is not restored yet)[[3]](#footnote-3).

The NC ER mentions in which situations a market activity may be suspended (article 35.1); NC ER also lists which activities may be suspended (article 35.2). Finally, NC ER also stipulates that each TSO shall convert the situations mentioned in article 35.1 into objectively defined parameters taking into account several factors (article 36.4, sub a-e). Please note that "taking into account" means that some factors or parameters can be discarded.

It must be understood that it is up to each TSO (in cooperation with its NRA) to come up with additional objectively defined parameters if necessary and to implement them pragmatic. The combination of the above mentioned articles could result in the following matrix:

**NC ER Article 35.1.a. the Transmission system of TSO is in blackout**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Market activities that may be suspended (and restored) according to NC ER Article 35.2** | | | | | |
|  |  |  | **a. the provision of cross zonal capacity for capacity allocation** | **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** | **d. the provision of modifications of the position of balance responsible parties** | **e. the provision of schedules mentioned in GLSO Article 111(1) and 111(2)** | **f. other relevant market activities the suspension of which is deemed necessary to preserve and/or restore the system** |
| **Factors that should be taken into account when developing rules for suspension and restoration of market activities according to NC ER Article 36.4** | **a. percentage of load disconnection in the LFC area corresponding to:** | i. the inability of a significant share of balancing responsible parties to maintain their balance |  |  |  |  |  |  |
| ii. the necessity for the TSO not to follow the usual balancing processes to perform an efficient re-energization |  |  |  |  |  |  |
| **b. percentage of generation disconnection in the LFC area corresponding to:** | the inability of a significant share of balancing responsible parties to maintain their balance |  |  |  |  |  |  |
| **c. share and geographic distribution of unavailable transmission system elements corresponding to** | i. the desynchronization of a significant part of the LFC area rendering the usual balancing processes counterproductive |  |  |  |  |  |  |
| ii. the reduction to zero of cross zonal capacity on a bidding zone border(s) |  |  |  |  |  |  |
| **d. inability of the following affected entities to execute their market activities for reason(s) outside their control:** | i. balance responsible parties |  |  |  |  |  |  |
| ii. balancing service providers |  |  |  |  |  |  |
| iii. NEMOs |  |  |  |  |  |  |
| iv. transmission connected DSOs |  |  |  |  |  |  |
| **e. absence of properly functioning tools and communication means necessary to perform:** | i. the singleday-ahead or intraday coupling or any explicit capacity allocation mechanism |  |  |  |  |  |  |
| ii. the frequency restoration process |  |  |  |  |  |  |
| iii. the reserve replacement process |  |  |  |  |  |  |
| iv. the provision by balance responsible party of a balanced position in day ahead and the provision of change of its position |  |  |  |  |  |  |
| v. the provision of schedules mentioned in GLSO Article 111(1) and 111(2) |  |  |  |  |  |  |

**NC ER Article 35.1.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 GL SO Article 18(3)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Market activities that may be suspended (and restored) according to NC ER Article 35.2** | | | | | |
|  |  |  | **the provision of cross zonal capacity for capacity allocation** | **the submission by a balancing service provider of balancing capacity and balancing energy bids** | **the provision by a balance responsible party of a balanced position at the end of the day-ahead timeframe** | **the provision of modifications of the position of balance responsible parties** | **the provision of schedules mentioned in GLSO Article 111(1) and 111(2)** | **other relevant market activities the suspension of which is deemed necessary to preserve and/or restore the system** |
| **Factors that should be taken into account when developing rules for suspension and restoration of market activities according to NC ER Article 36.4** | **percentage of load disconnection in the LFC area corresponding to:** | the inability of a significant share of balancing responsible parties to maintain their balance |  |  |  |  |  |  |
| the necessity for the TSO not to follow the usual balancing processes to perform an efficient re-energization |  |  |  |  |  |  |
| **percentage of generation disconnection in the LFC area corresponding to:** | the inability of a significant share of balancing responsible parties to maintain their balance |  |  |  |  |  |  |
| **share and geographic distribution of unavailable transmission system elements corresponding to** | the desynchronization of a significant part of the LFC area rendering the usual balancing processes counterproductive |  |  |  |  |  |  |
| the reduction to zero of cross zonal capacity on a bidding zone border(s) |  |  |  |  |  |  |
| **inability of the following affected entities to execute their market activities for reason(s) outside their control:** | balance responsible parties |  |  |  |  |  |  |
| balancing service providers |  |  |  |  |  |  |
| NEMOs |  |  |  |  |  |  |
| transmission connected DSOs |  |  |  |  |  |  |
| **absence of properly functioning tools and communication means necessary to perform:** | the singleday-ahead or intraday coupling or any explicit capacity allocation mechanism |  |  |  |  |  |  |
| the frequency restoration process |  |  |  |  |  |  |
| the reserve replacement process |  |  |  |  |  |  |
| the provision by balance responsible party of a balanced position in day ahead and the provision of change of its position |  |  |  |  |  |  |
| the provision of schedules mentioned in GLSO Article 111(1) and 111(2) |  |  |  |  |  |  |

**NC ER Article 35.1.c. the continuation of market activities would decrease significantly the effectiveness of the restoration process to the normal or alert state**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Market activities that may be suspended (and restored) according to NC ER Article 35.2** | | | | | |
|  |  |  | **the provision of cross zonal capacity for capacity allocation** | **the submission by a balancing service provider of balancing capacity and balancing energy bids** | **the provision by a balance responsible party of a balanced position at the end of the day-ahead timeframe** | **the provision of modifications of the position of balance responsible parties** | **the provision of schedules mentioned in GLSO Article 111(1) and 111(2)** | **other relevant market activities the suspension of which is deemed necessary to preserve and/or restore the system** |
| **Factors that should be taken into account when developing rules for suspension and restoration of market activities according to NC ER Article 36.4** | **percentage of load disconnection in the LFC area corresponding to:** | the inability of a significant share of balancing responsible parties to maintain their balance |  |  |  |  |  |  |
| the necessity for the TSO not to follow the usual balancing processes to perform an efficient re-energization |  |  |  |  |  |  |
| **percentage of generation disconnection in the LFC area corresponding to:** | the inability of a significant share of balancing responsible parties to maintain their balance |  |  |  |  |  |  |
| **share and geographic distribution of unavailable transmission system elements corresponding to** | the desynchronization of a significant part of the LFC area rendering the usual balancing processes counterproductive |  |  |  |  |  |  |
| the reduction to zero of cross zonal capacity on a bidding zone border(s) |  |  |  |  |  |  |
| **inability of the following affected entities to execute their market activities for reason(s) outside their control:** | balance responsible parties |  |  |  |  |  |  |
| balancing service providers |  |  |  |  |  |  |
| NEMOs |  |  |  |  |  |  |
| transmission connected DSOs |  |  |  |  |  |  |
| **absence of properly functioning tools and communication means necessary to perform:** | the singleday-ahead or intraday coupling or any explicit capacity allocation mechanism |  |  |  |  |  |  |
| the frequency restoration process |  |  |  |  |  |  |
| the reserve replacement process |  |  |  |  |  |  |
| the provision by balance responsible party of a balanced position in day ahead and the provision of change of its position |  |  |  |  |  |  |
| the provision of schedules mentioned in GLSO Article 111(1) and 111(2) |  |  |  |  |  |  |

**NC ER Article 35.1.d. tools and communication means necessary for the TSOs to facilitate market activities are not available**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Market activities that may be suspended (and restored) according to NC ER Article 35.2** | | | | | |
|  |  |  | **the provision of cross zonal capacity for capacity allocation** | **the submission by a balancing service provider of balancing capacity and balancing energy bids** | **the provision by a balance responsible party of a balanced position at the end of the day-ahead timeframe** | **the provision of modifications of the position of balance responsible parties** | **the provision of schedules mentioned in GLSO Article 111(1) and 111(2)** | **other relevant market activities the suspension of which is deemed necessary to preserve and/or restore the system** |
| **Factors that should be taken into account when developing rules for suspension and restoration of market activities according to NC ER Article 36.4** | **percentage of load disconnection in the LFC area corresponding to:** | the inability of a significant share of balancing responsible parties to maintain their balance |  |  |  |  |  |  |
| the necessity for the TSO not to follow the usual balancing processes to perform an efficient re-energization |  |  |  |  |  |  |
| **percentage of generation disconnection in the LFC area corresponding to:** | the inability of a significant share of balancing responsible parties to maintain their balance |  |  |  |  |  |  |
| **share and geographic distribution of unavailable transmission system elements corresponding to** | the desynchronization of a significant part of the LFC area rendering the usual balancing processes counterproductive |  |  |  |  |  |  |
| the reduction to zero of cross zonal capacity on a bidding zone border(s) |  |  |  |  |  |  |
| **inability of the following affected entities to execute their market activities for reason(s) outside their control:** | balance responsible parties |  |  |  |  |  |  |
| balancing service providers |  |  |  |  |  |  |
| NEMOs |  |  |  |  |  |  |
| transmission connected DSOs |  |  |  |  |  |  |
| **absence of properly functioning tools and communication means necessary to perform:** | the singleday-ahead or intraday coupling or any explicit capacity allocation mechanism |  |  |  |  |  |  |
| the frequency restoration process |  |  |  |  |  |  |
| the reserve replacement process |  |  |  |  |  |  |
| the provision by balance responsible party of a balanced position in day ahead and the provision of change of its position |  |  |  |  |  |  |
| the provision of schedules mentioned in GLSO Article 111(1) and 111(2) |  |  |  |  |  |  |

1. There is one significant difference between single day-ahead coupling suspension and typical decoupling, in case of suspension of single day coupling the price shall not be calculated for bidding zones and market time units for which suspension applies, in case of decupling price is typically calculated. [↑](#footnote-ref-1)
2. There are different approaches for such notifications in different countries. In SO GL such notifications are collectively referred as “submission of internal trade commercial schedules”. [↑](#footnote-ref-2)
3. Please bear in mind, that it is possible to restore TSOs processes supporting market activities in restoration system state. [↑](#footnote-ref-3)