ifiec europe
international federation of industrial energy consumers

Capacity Allocation & Congestion Management Draft Network Code

Comments from CEFIC and IFIEC

ENTSO-E Workshop

07.05.2012

ifiec europe

Capacity calculation

- **Industrial consumers insist on the generalization of flow-based method for capacity allocation**

- **If power flow calculation requires a better knowledge of injection/off-take locations, industrial consumers accept the use of smaller "Bidding Zones" by**
  - **splitting Price Zone in several Bidding Zones**
  - **maintaining D-A price fixing at Price Zone scale**
  - **whilst price is fixed per Bidding Zone for Intraday & balancing.**

- **Industrial consumers demand that the size of price zones**
  - **should not be reduced compared to today's situation;**
  - **should be increased as soon as possible, up to containing large power plants of a sufficient number of competitors**
  - **is fixed in order to evolve towards a single EU electricity market**

Long-Term Markets

- **Industrial consumers demand the rapid integration of a chapter on long-term markets in the CACM network code.**

- **IFIEC is available to contribute to the rapid development of a specific model for Long-Term Market Integration.**

Day Ahead

- **Day-ahead market is the key for the promotion of competitive electricity markets**
  - **Liquidity : to be increased by**
    - **ensuring all available capacity is effectively offered at marginal cost (see REMIT)**
    - **allocating all cross-border capacity to the PX**
    - **block bids: OK if they stimulate liquidity / CB Capacity / transparency**
  - **Governance ?**
  - **PX's to be regulated**

Intraday

- **Intraday and balancing markets should be “corrective” markets only**
  - **On cross-border OTC offers no benefit for society**
    → to be allowed only where already operational
    → for a limited period of time (2014 ?)
    → provided regulators allow it

- **Industrial consumers insist on the urgent need to harmonize existing and future intraday markets**

Thank you for your attention