

Network Code Balancing: views on the latest draft

EFET, EURELECTRIC, EWEA and SEDC input for:
Workshop on the Balancing/LFC&R network
codes

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Key principles target model for balancing should be defined in the code

- The target should be a market where every party has the opportunity to access the market to balance its position as close as possible to energy delivery
- Conditional to the above, market parties are to be made responsible for their own balance
- TSO responsible for system security
- TSO has minimum interference with market
- congestion management (or other system services) by the TSO shall not influence the balancing price
- TSO to TSO integration with a common merit order (reduces total complexity and ensures a level playing field)
- No Cross border capacity should be reserved for free

Load Frequency Control & Reserves NC

- Improvements made on the new version of the NC LFC&R are welcomed, however still remaining issues:
 1. **Quality definitions:** still no sufficient good reason to change frequency quality parameters (e.g.: standard frequency deviation)
 2. **Consistency with other Network Codes:** current version doesn't allow a (temporary) TSO-BSP model as defined in NC BAL, current version doesn't provide evidence for required increased frequency ranges in RfG NC
 3. **Derogation process**

Network Code should be more ambitious (1):

1. **More harmonisation and integration** of balancing markets (e.g.: article 7§4 leaves too many case-by-case situations, Coordinated Balancing Area should be the same as for CACM and not limited to cooperation with one TSO with one standard product, ...)
2. **Same level playing field** (e.g.: article 19 should not oblige market participants to offer reserves/balancing services neither allow call for tender with price caps) and **same principles of imbalance settlement** for load and generation;
3. **Reinforcement of H-1 GCT or less** (e.g.: article 17 should not allow firm balancing products and should ensure no overlap between intraday and balancing markets*)

Network Code should be more ambitious (2):

4. **Good incentives and marginal price imbalance / no socialisation**
5. **Participation of a full range of market participants** (conventional and renewable generators, storage and load) and **standardisation of products characteristics**
6. **No ex-ante reservation of cross-border transmission capacity for balancing purposes** (article 29)
7. **Proper rules for the activation of Replacement Reserves (RR).**
TSOs shall avoid RR activation before GCT of the intraday market.
TSOs shall not allowed to offer Balancing Services themselves !!
(article 11 §3)