

CHAPTER 4: CROSS ZONAL CAPACITY FOR BALANCING SERVICES

Network Code Electricity Balancing 3rd Public Workshop

23 October 2013

Disclaimer:

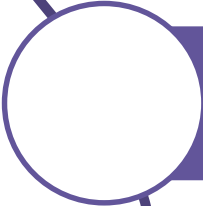
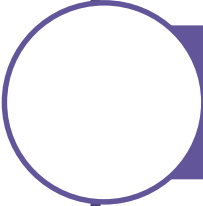
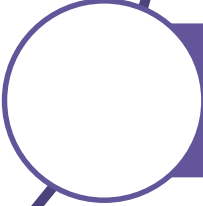
Presentation based on DRAFT Version of the NC Balancing!
NC Balancing is still work in progress.



Reliable Sustainable Connected



150 comments were received on the articles in Chapter 4 concerning use, allocation and reservation of Cross Zonal Capacities for Balancing Services. The main concerns are:

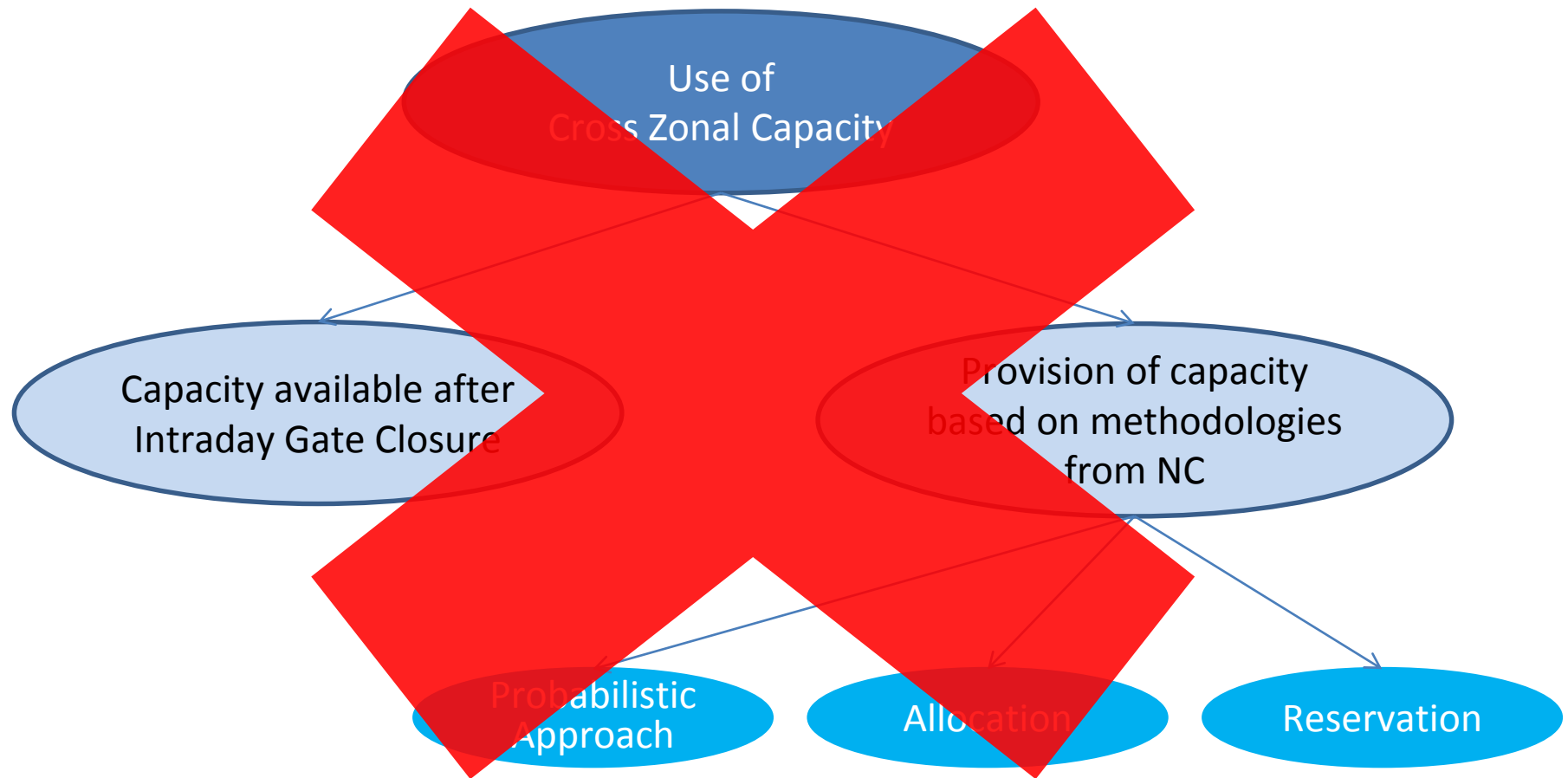
-  **Need for clarifications, improved definitions and better consistency with other codes**
-  **Reservation of Cross Zonal Capacities should be prohibited**
-  **Allocation of Cross Zonal Capacities should be prohibited**



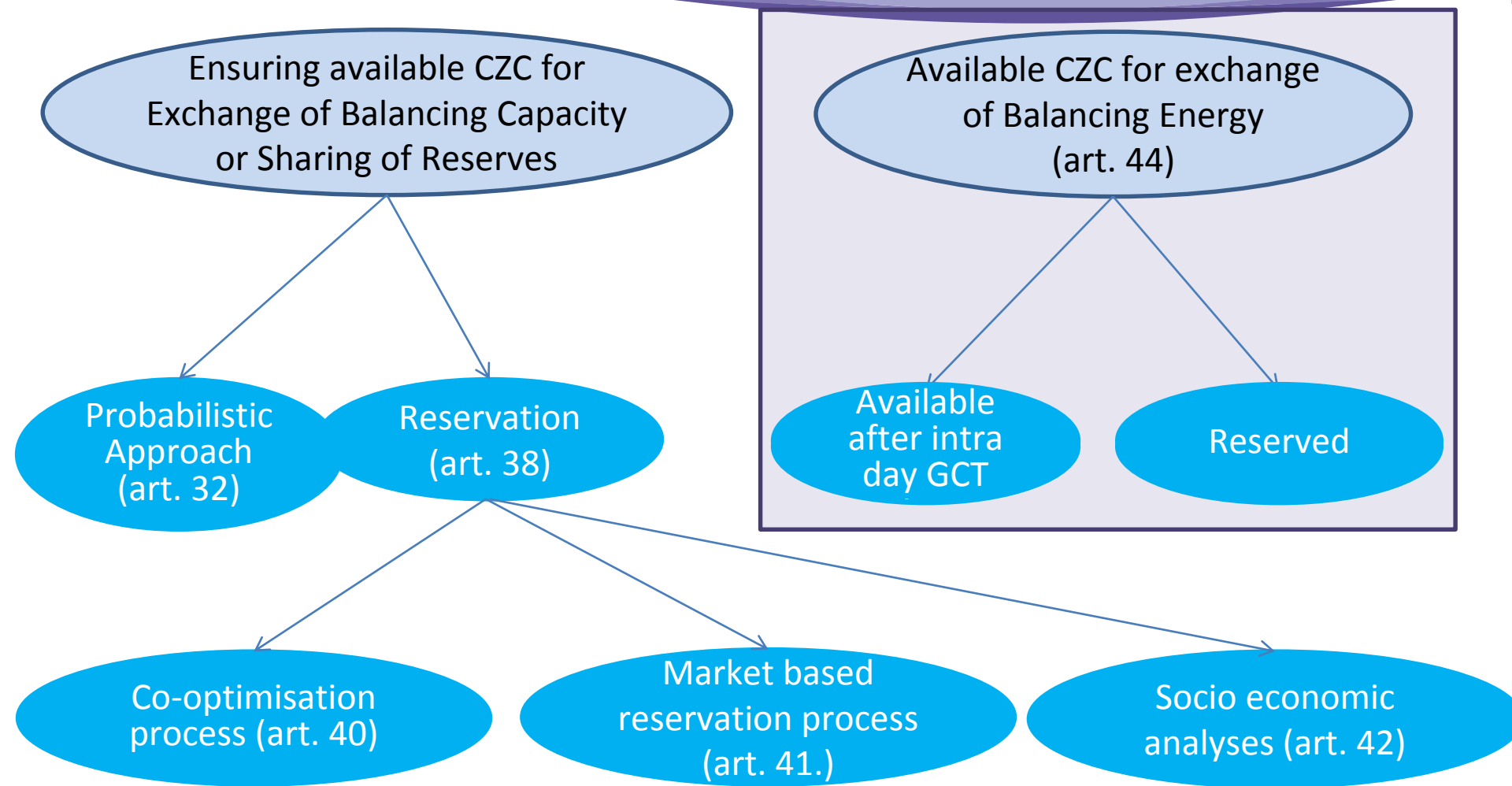
Preliminary answers to most common comments:

- Description of reservation will be kept as it is necessary to allow a secure exchange or sharing of Balancing Reserves and FG Balancing foresees it.
- Description of use of Cross Zonal Capacity (CZC) for exchange of Balancing Services will be heavily restructured in order to improve consistency and readability.
 - Section 1 will describe methodologies regarding Balancing Reserves
 - Section 2 will describe methodologies regarding Balancing Energy and Imbalance Netting.
- The methodologies that shall be used for reservation will be more elaborated compared to consultation version.
- Countertrading will not be taken into account as:
 - total procurement costs of Balancing Reserves will be unclear at the time of procurement
 - it may reduce security of supply if real time countertrading is necessary to ensure availability of Balancing Reserves

Different ways which TSOs can use capacity for Exchange of Balancing Services **Consultation Version**

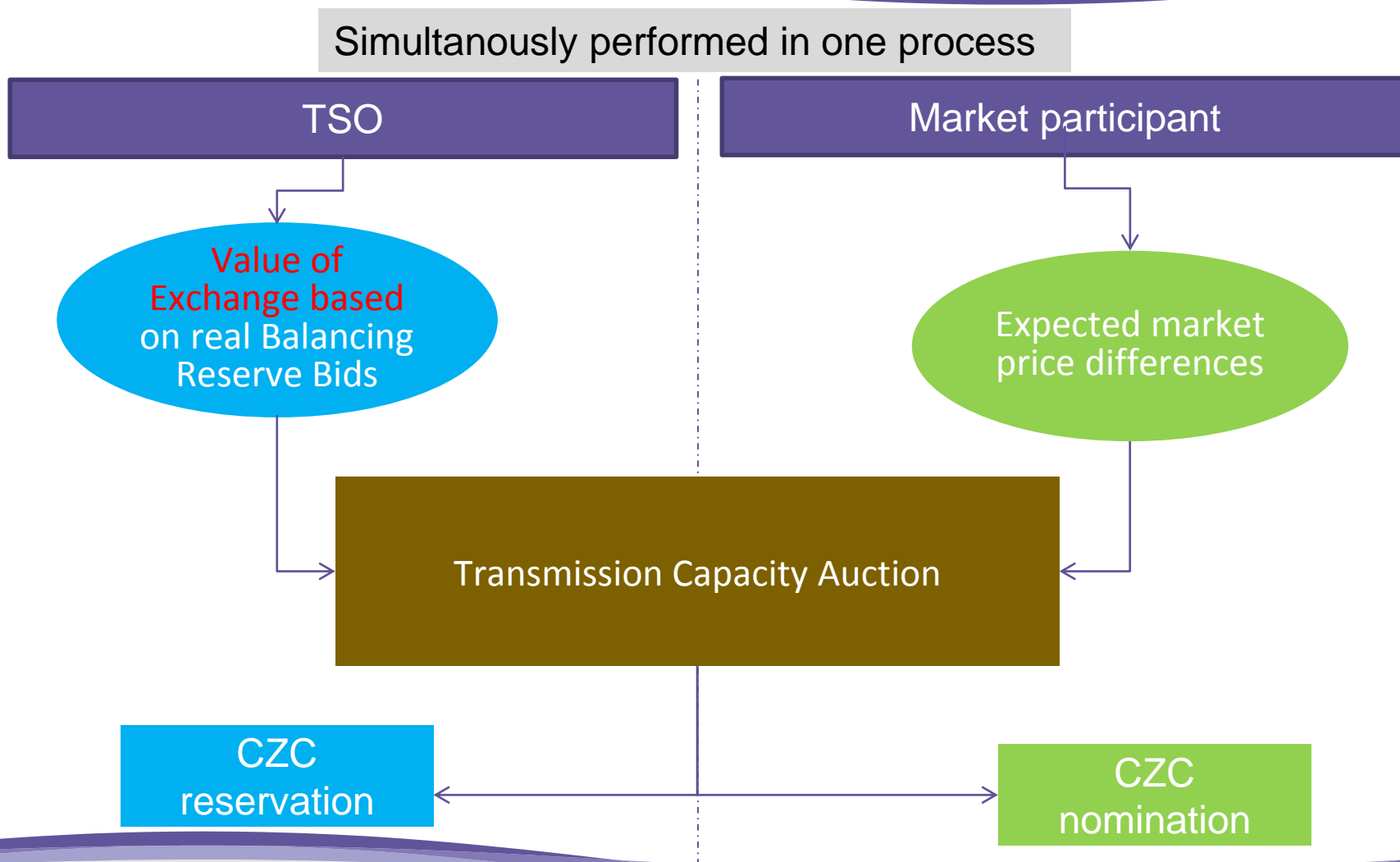


Exchange and Sharing of Balancing Services requires available Cross Zonal Capacity- restructured description



Reservation methodologies

1 - Co-optimisation (art. 40)

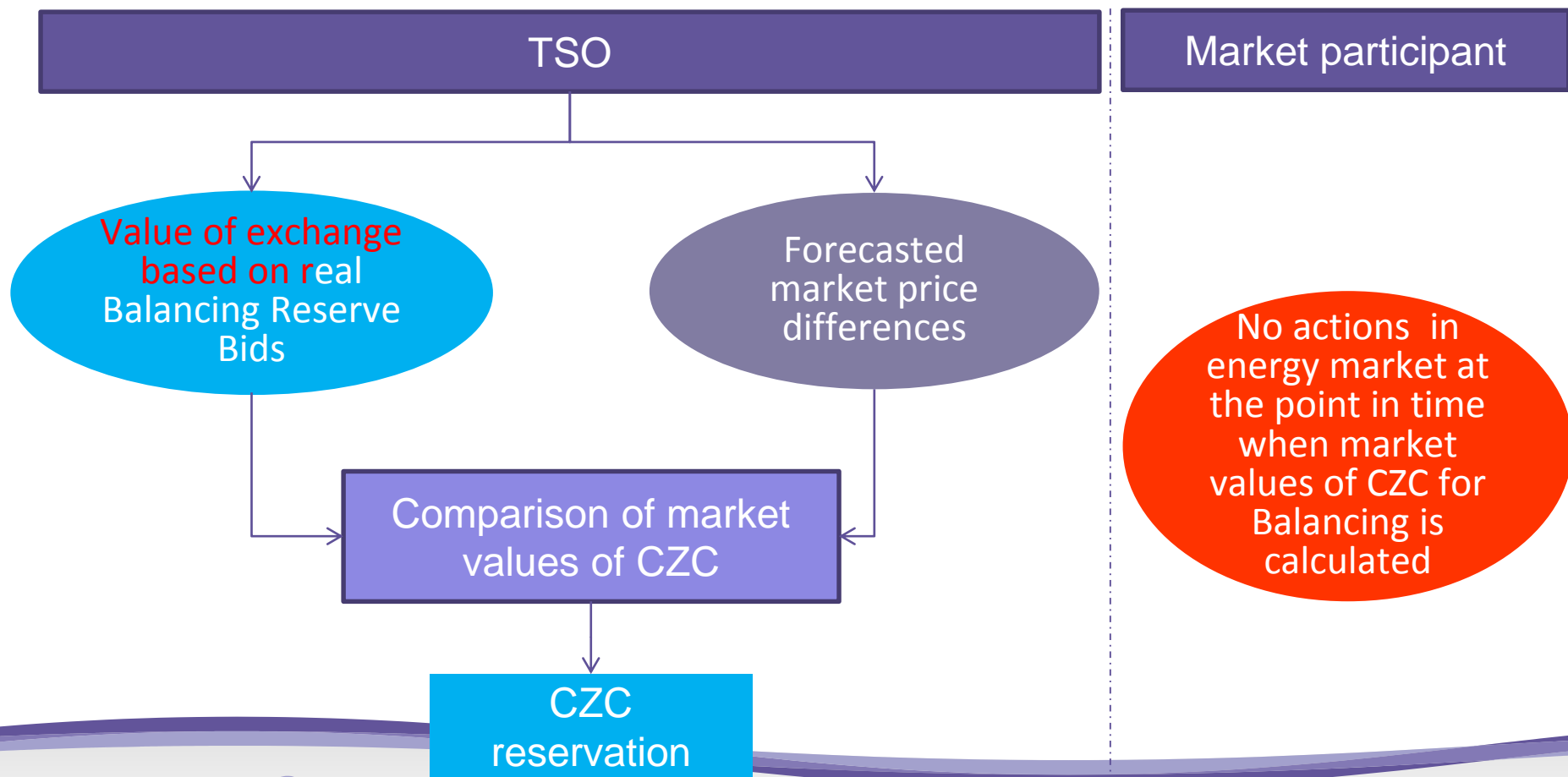


Reservation methodologies

2 - Market based reservation

TSOs procure Balancing Capacity if beneficial

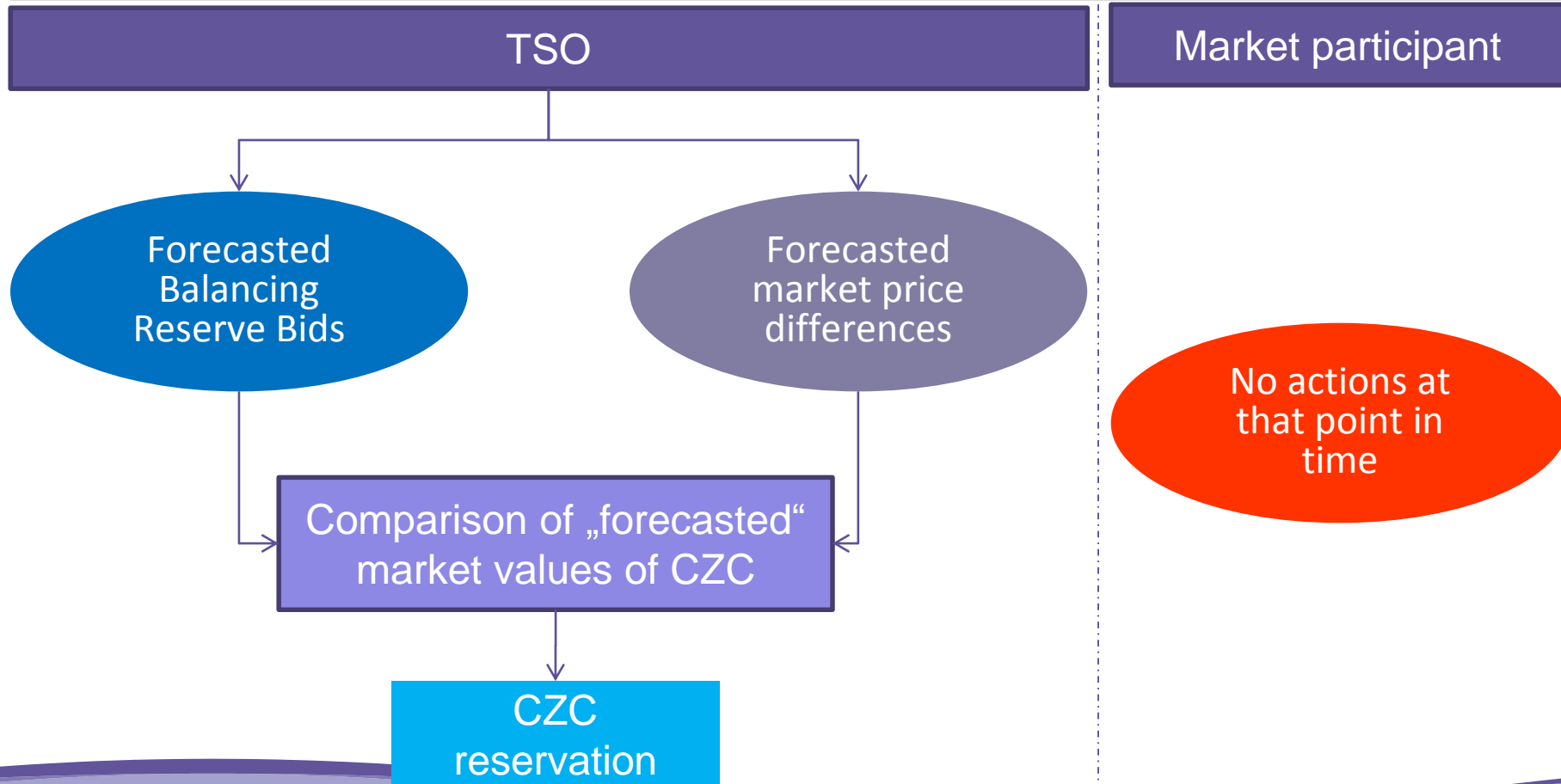
Actual market value of Exchange of Energy available at later time frame (auctions, DAM)



Reservation methodologies

3 - Socio economic analyses

Value of CZC is calculated before Actual values are available: Both Exchange of Balancing Capacity or Sharing of Reserves and energy market





- **Pricing of CZC shall provide an adequate compensation and TSOs have to pay (§ 38.1, and art. 46)**
- **CZC shall be released if it is not needed anymore for Balancing (§38.4)**
- **Reliability Margin shall not increase due to Exchange of Balancing Services (§32.5)**
- **Possibility for reservation of CZC by Balance Service Providers within TSO-BSP model (art. 43)**