Transparency Regulation: A View from the ENTSO-E Expert Group

Presentation to JESG

John Lucas
19 March 2013

ELEXON

What am I going to talk about?

- Background
  - What is the Transparency Regulation?
  - Why has ELEXON got involved in the process?
- Role of ENTSO-E and the Expert Group
- What are the options for implementation in GB?

Background – What is the Transparency Regulation?

- It is not a Network Code (so not drafted by ENTSO-E, and has no associated Framework Guideline)
- In 2009 the Commission asked ERGEG for "*advice … on a legally binding guideline … prepared in close co-operation with ENTSO-E and with full consultation of the stakeholders*"
- ERGEG consulted September 2010
- Revised version issued by ERGEG December 2010 and consulted on by Commission July 2011
- Further changes made to version agreed by Electricity cross-border committee (17 December 2012)
- Now being considered by European Parliament and Council – no further changes to text expected

Background – why is ELEXON interested in the draft Transparency Regulation?

Many of the processes required under the new Transparency Regulation are similar to existing BSC and Grid Code processes:

Current GB Codes	New Transparency Regulation
TSO required to prepare forecasts of National Demand for publication on BMRS	TSO required to prepare forecasts of total load for publication on EMFIP
TSO required to calculate actual generation by fuel type for publication on BMRS	TSO required to calculate actual generation by production type for publication on EMFIP
BMRS required to provide SBP/SSP/NIV to entsoe.net	TSO or data provider required to provide SBP/SSP/NIV to EMFIP

In our opinion many of the new requirements are best implemented through BSC (and Grid Code) Modifications

Timescale for approval and implementation

- Q2 2013 - approved Regulation to be published in Official Journal of European Union
- Regulation enters into force on twentieth business day following that publication
- Four months after it comes into force, ENTSO-E must submit proposal on costs to ACER
- Eighteen months after it comes into force the platform must be operational

- So implementation is required by **Q4 2014** – a tight timescale

Article 3 – The central platform

- ENTSO-E required to provide a central information transparency platform
  - Referred to by ENTSO-E as the 'Electricity Market Fundamental Information Platform' (EMFIP)
- Available to the public free of charge
  - Costs recovered from network users
- Data to be:
  - Up to date
  - Easily accessible
  - Downloadable
  - Available for at least five years
  - Proposal

Article 4 – Submission and publication of data

- **Primary owners** of data are responsible for its completeness and quality:
  - Generators
  - DSOs
  - Consumption sites above 100MW
  - TSOs
  - Power exchanges and/or allocators of cross-zonal capacity
  - Operators of balancing markets

- Primary owners must submit data to EMFIP via TSO or a **data provider** (where agreed by TSO)

Article 5 – Manual of Procedures

- ENTSO-E to develop (following open and transparent consultation with stakeholders) a Manual of Procedures covering:
  a) Details and formats of data submission
  b) Standardised methods of data communication
  c) Technical and operational criteria which data providers must fulfil
  d) Classification of production types

Load (Articles 6 – 8)

Data	Primary Owner
Out-turn total load per market time unit	TSO / Generator
Forecast total load (day-ahead, week-ahead, month-ahead, year-ahead)	TSO / DSO
Planned and unplanned unavailability of consumption units (above 100MW)	Consumption units
Year-ahead forecast margin	TSO / DSO / Generator

- N.B. Total load (unlike current GB demand forecasts) includes demand supplied by small embedded generators
- Implies a requirement for estimation of more small embedded generation than currently

Transmission (Articles 9 – 13)

Data	Primary Owner
Future changes to transmission infrastructure (including interconnectors)	TSOs
Planned and unplanned availability of transmission infrastructure (including interconnectors)	TSOs
Estimation and offer of cross zonal capacities	TSOs, capacity allocators and/or operators of HVDC links
Use of cross zonal capacities	Capacity allocators and/or power exchanges
Congestion management measures (redispatching and countertrading)	TSOs

Generation (Articles 14 – 16)

Data	Primary Owner
Total installed capacity (production units 1 MW and above)	Generators / TSOs
Details of existing and planned production units (100 MW and above)	Generators
Day-ahead estimate of total scheduled generation	Generators / TSOs
Day-ahead forecast of wind and solar generation	Generators / TSOs
Planned and unplanned availability (100 MW and above)	Generators
Actual generation (100 MW and above)	Generators
Actual aggregated generation by production type	Generators
Actual or estimated wind and solar output	Generators

Balancing (Article 17)

Data	Primary Owner
Balancing rules	TSOs and/or balancing market operators
Amount of contracted reserve, by 'reserve type'	As above
Price paid per reserve type and procurement period	As above
Amount and price of activated balancing energy (per Settlement Period and reserve type)	As above
Imbalance prices	As above
Total imbalance volume per Settlement Period	As above
Monthly totals of imbalance settlement	As above
Details of cross control area balancing	As above

Transparency Stakeholder Expert Group

- Role is to advise ENTSO-E on the Manual of Procedures (not to suggest changes to the Regulation)
- ENTSO-E issued a public call for 'experts' – membership from:

ACER	Bulgarian Photovoltaic Association	CAO
CASC.EU	E.ON Energy Trading SE	EC (observer)
EDF	EEX	EFET
Electrabel	ELEXON	EnBW Trading GmbH
Endesa	Eurelectric	IFIEC
NPS	Sia	Tiroler Wasserkraft AG
Vattenfal	Florence School of Regulation	

ELEXON's Role

- I see our role as being to:
  - Provide ENTSO-E with information on GB arrangements (e.g. high impact of requiring operational metering for all embedded generators, registration process for generators)
  - Learn about the Regulation and Manual of Procedures (and feed back to JESG, ISG and Modification workgroups)

- Presentations and minutes from the meetings available here:
  https://www.entsoe.eu/data/entso-e-transparency-platform/

- My 26 February paper to ISG is available here:
  http://www.elexon.co.uk/meeting/isg142/

1st Meeting (31 January)

- Followed the public stakeholder workshop held in the morning
- Covered introductions, Terms of Reference etc.
- Following this meeting the draft data item definitions were circulated for comment:
  - These provide additional detail on each data item required by the Regulation
  - They can't change the requirements in the Regulation (so limited scope for manoeuvre)
  - ELEXON comments focused on potential advantages of estimation for data items related to small embedded generation (rather than operational metering or onerous data submission requirements)

2nd meeting (28 February)

- Discussion of detailed data item definitions
- Discussion of production types
- Discussion of criteria for data providers:
  - ENTSO-E envisage at most a few per country
  - Cannot support a model in which each market participant is their own data provider
- Feedback from ENTSO-E on their project plan, monitoring and planning of local projects

Interaction with REMIT Inside Information

- ACER intends that EMFIP should meet the requirements for a platform publishing REMIT inside information (particularly in the context of generator unavailability)
- This allows generators to avoid 'double reporting' of unavailability
- In addition, ENTSO-E has agreed to provide a facility for publication of free text messages not related to unavailability of particular generation units
  - This is an exception to the general principle that EMFIP is delivering just the Transparency Regulation

TSEG - Next Steps

- Meeting 3 (21 March) presented with draft Implementation Guides and platform BRS
- Meeting 4 (23 April) – consider comments on Implementation Guides and BRS
- June (following publication of Regulation) – public consultation on Manual of Procedures (including data item definitions and Implementation Guides)

Option for Implementation in GB

- The Regulation (and Manual of Procedures) aren't so prescriptive that each country or region can just pick them up and know how to implement them. GB-specific projects will need to consider:
  - What data is needed to meet each requirement
  - Who should be responsible for collecting and processing this data ('primary owner')
  - Who should be responsible for submitting it to EMFIP ('data provider')
- In ELEXON's opinion the existing Code Modification processes provide a good mechanism for this, particularly where:
  - New data is similar to that collected and processed under existing Codes; and/or
  - Primary owners are parties to existing Codes

Example – Actual and Forecast Total Load (Article 6)

- Similar to existing BSC and Grid Code requirements for National Grid to publish actual and forecast National Demand, except that:
  - Timing and granularity is different
  - Article 6 requires forecast of minimum as well as maximum
  - Total load includes demand supplied by embedded Small and Medium Power Stations
- Impact of operational metering for all embedded Small Power Stations would be disproportionately high: alternative is estimating elements of total load:
  - Who should prepare estimates (TSO or DSOs)?
  - If TSO, what additional data (if any) is required from DSOs?
- How should total load be reported to EMFIP and GB Parties?

ELEXON

Who should report GB total load to EMFIP?

- ENTSO-E envisages TSOs and national/regional transparency platforms acting as data providers
- We believe that National Grid (as TSO) and BMRS (as current GB transparency platform) are obvious candidates
- Choice between two is linked to question of how GB Parties want to retrieve data themselves:
  - GB-specific data (e.g. National Demand) from BMRS; transparency data (e.g. total load) from EMFIP
  - GB-specific data (e.g. National Demand) from BMRS; transparency data (e.g. total load) from either BMRS or EMFIP
  - GB-specific data discontinued; transparency data (e.g. total load) from EMFIP

ELEXON

Our suggested way forward

- One or more Modifications to GB codes (e.g. BSC, Grid Code) to define GB processes for collecting and processing data (particularly Load, Generation & Balancing)
- Workgroup to consider BMRS implications:
  - Should new data items be reported on BMRS as well as EMFIP?
  - Should BMRS act as a data provider for some or all data?
- Workgroup to consider whether Transmission data also needs to be codified
- Given requirement for implementation in Q4 2014, GB industry needs a proposal ready when the Regulation is approved
- ELEXON hopes to continue discussing with JESG, National Grid and other parties