Capacity Allocation and Congestion Management (CACM) Code Overview

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Introduction

- CACM objectives

- European target model

- Status update

- Current issues under discussion

- How to get involved

- NOTE – currently writing the code, therefore can still change…

CACM objectives

- Create Pan-European electricity market by removing barriers for cross border trading subject to network constraints

- Minimal disturbance to current market rules while still allowing market coupling

- Does NOT integrate the electricity balancing market

[1] Edited extracts from ACER's CACM frame work guidelines

European target model
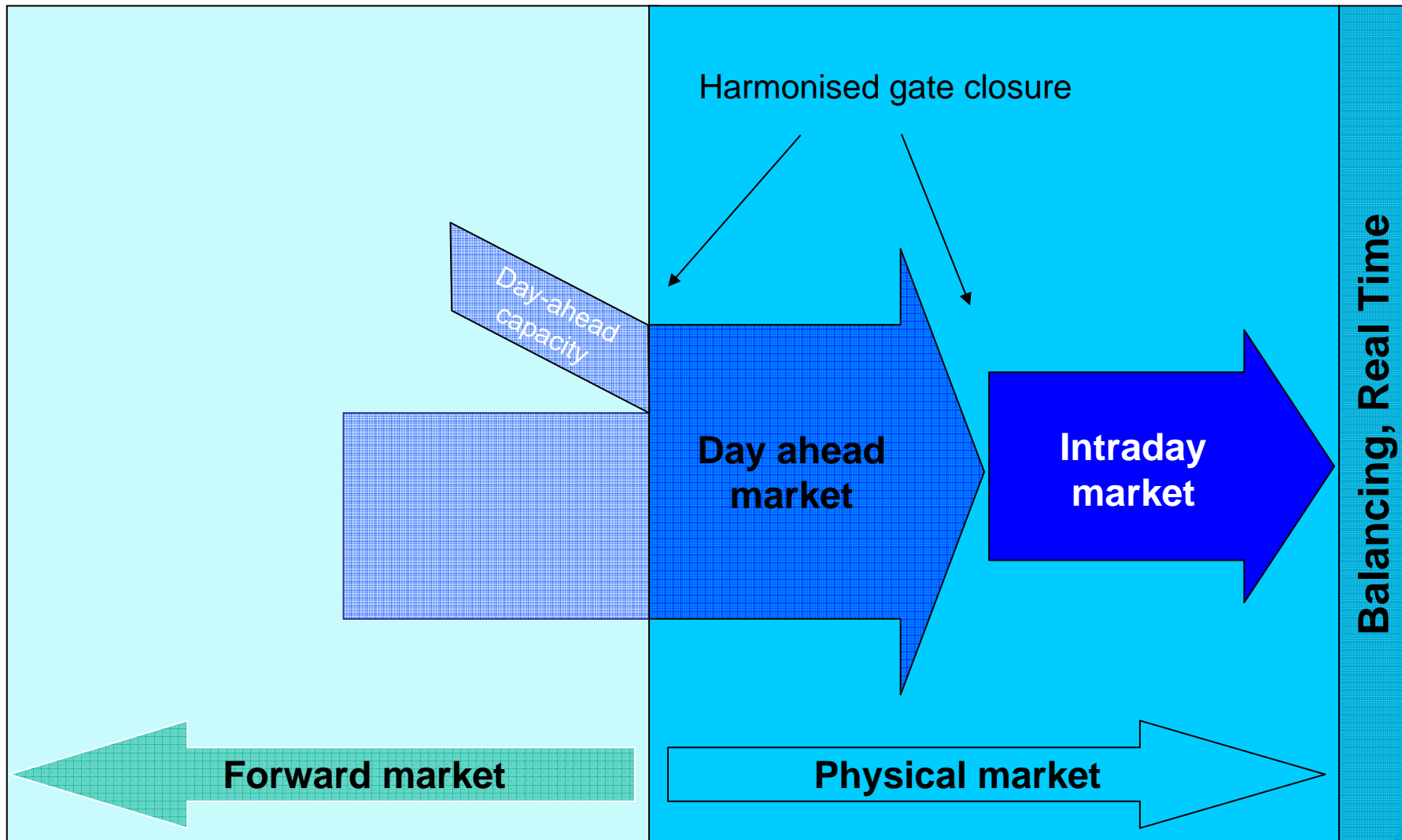
Day ahead market

■ Entire Europe market solved using single price coupling algorithm

■ Transfers between markets sold via implicit auctions

■ Harmonised:

- Day ahead market closure times - 12:00 CET

- Max and minimum bids (to 2 dp)

- Market results time, otherwise fallback procedure

Intraday market

- Pan-European intraday platform supporting continuous implicit intraday capacity allocation

- Allows market participants to optimise position as close to real time as possible

- No common intraday gate closure time set

- OTC intraday trades likely allowed in interim solution

Capacity calculation

- Zone = bidding area

- Not necessarily on national boundaries

- Zones defined to ensure overall market efficiency

- Zones reviewed every 2 years

- TSO's analyse zones and propose zones to NRA's

- NRA's and ACER will then review decide if zones should be changed

- Market participants consulted and given time to prepare

- -> Potential interaction with charging

Current Status

- Draft code split into 3 streams –

  - Day ahead

  - Intraday

  - Capacity Calculation

- Draft code being written and undergoing internal review

- First view of Day Ahead code with stakeholders 8th Dec

- Drafts to go through internal governance January/February

- For consultation Spring

Current Issues

- Should losses be included in market design?

- Who is responsible for publishing market results TSO or PX?

- Should the source code of the market coupling algorithm be publically available?

- Who should bear the set up costs/operational costs of running the market?

- How should the code be written? (functional or TSO/PX)

How to get involved…

- Industry meetings

  - 8th Dec – ENTSO-E/Stakeholders meeting (Brussels)

  - 9th Dec – NWE Stakeholders meeting (London)

  - Joint European Standing Group (JESG)

- Industry consultations

  - Network code consultation (Spring)

  - Do we need to any extra CACM meetings during consultation phase?

Any questions?

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