

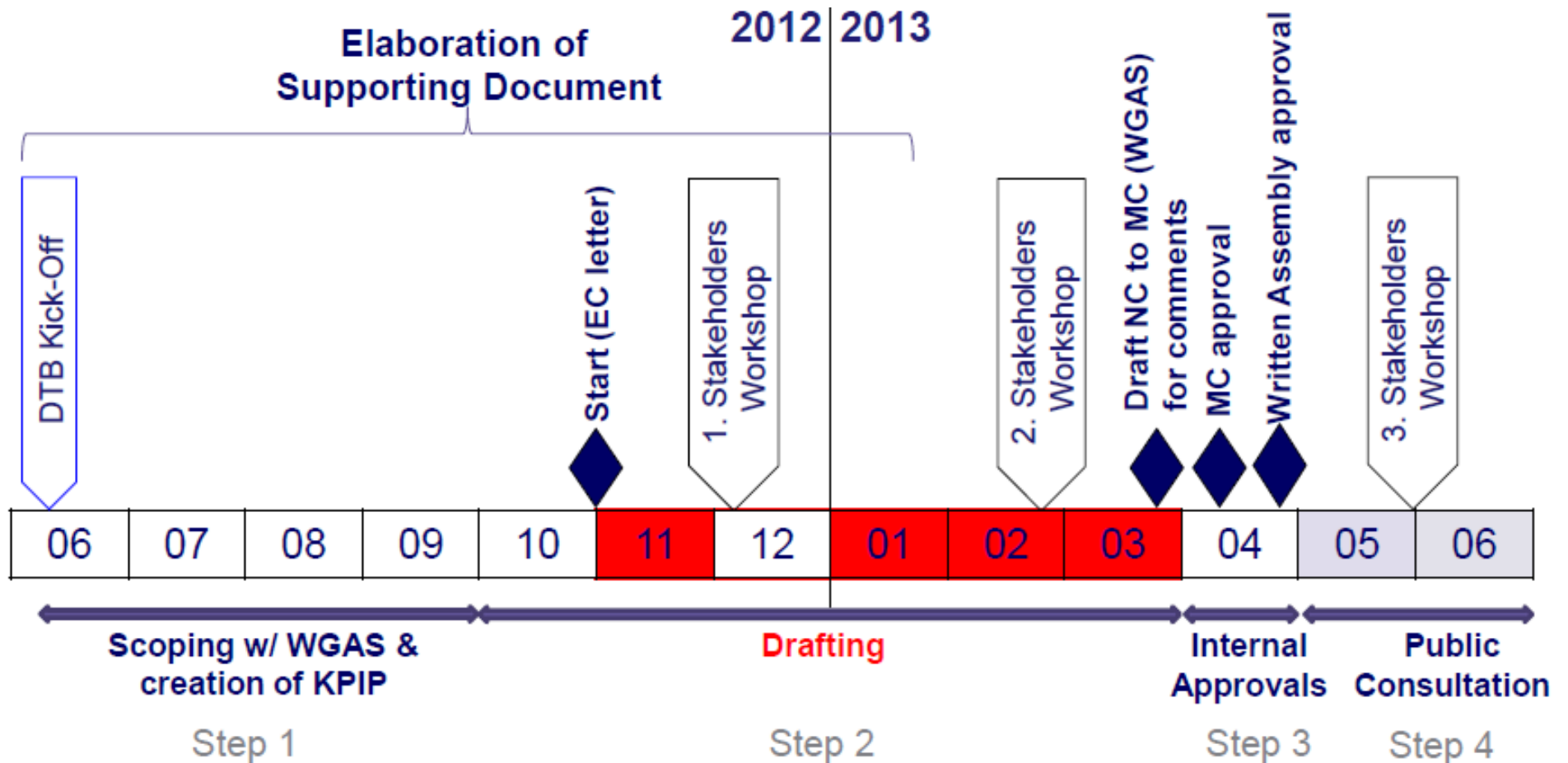
European Electricity Balancing Code

JESG, Elexon

Graham Hathaway

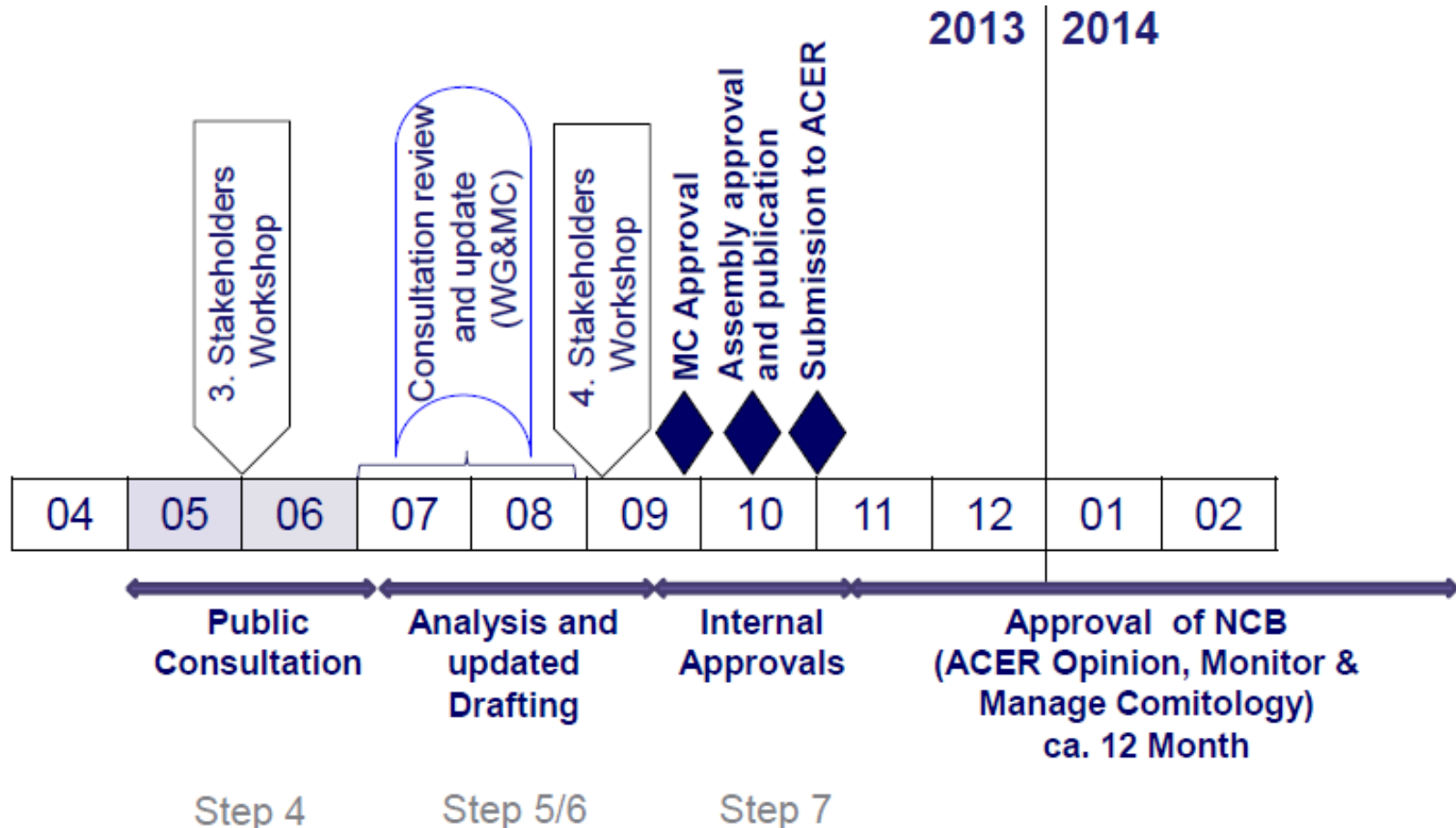
7 November 2012

Code Drafting timing challenge!



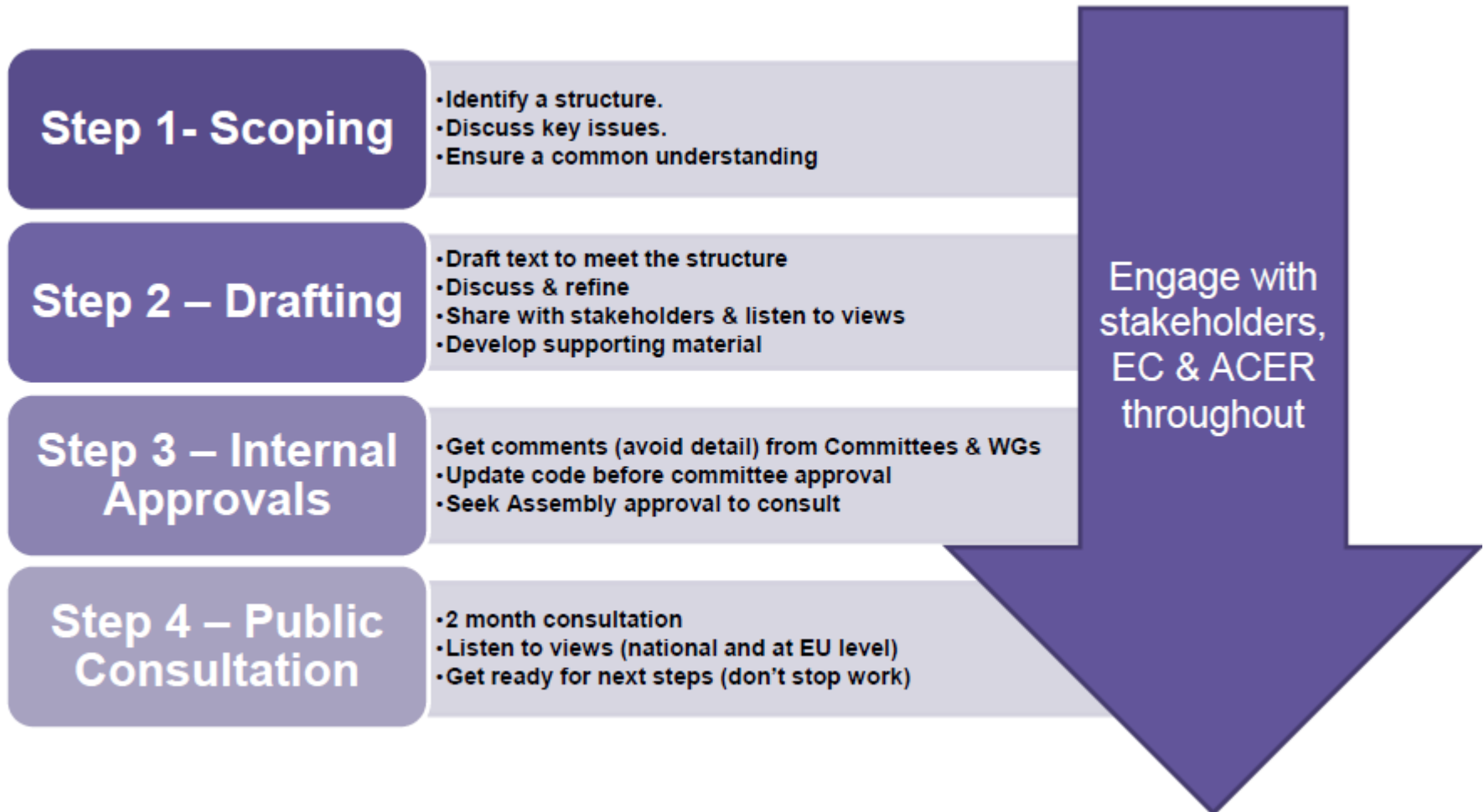
→ Very short effective drafting period!

Timing of consultation and approval

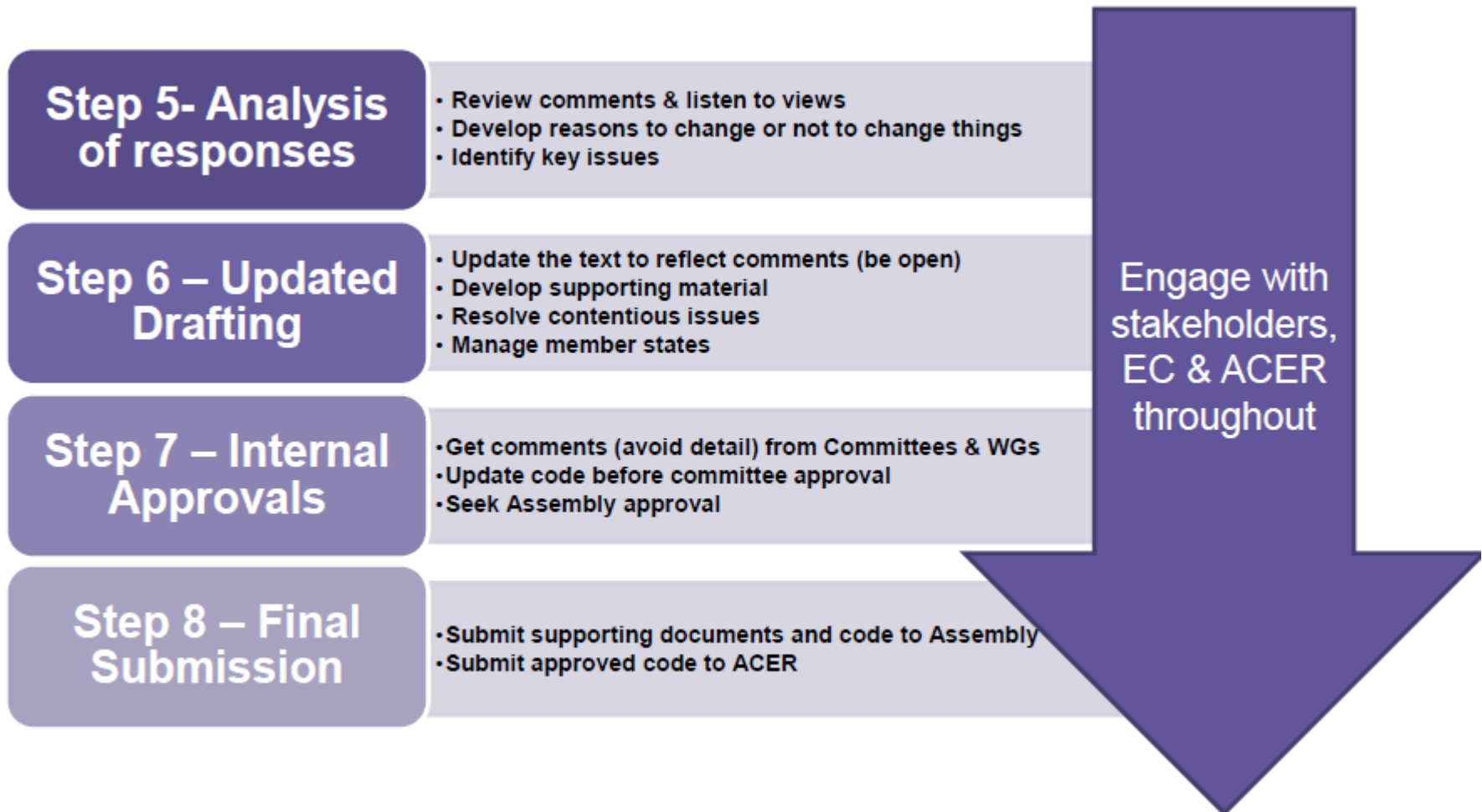


* Indicative Overview, under the assumption that the EC letter will come beginning of November! Detailed schedules of Stakeholder Workshops will follow!

Stage 1 of Balancing Code Development



Stage 2 of Balancing Code Development



Drafting Team

- DT consists of 16 people in order to cope with the challenges.
- Also, we have an excellent geographical representation in order to consider different practical experience.
- As we have almost no blue prints available (compared to e.g. operational security, CACM, etc.); hence, we have a lot of work still in front of us.



→ Stakeholder involvement is very important!

Key challenges for Balancing Code

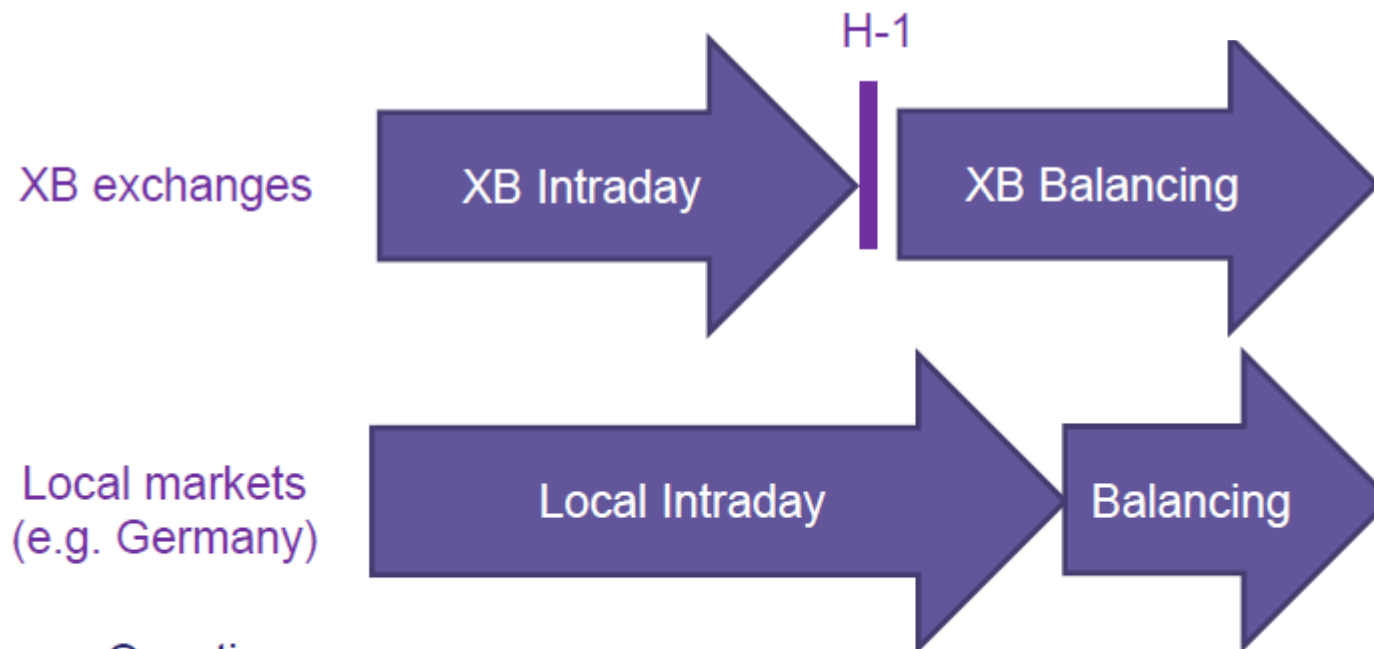
Standardisation of
products

Pricing

Balancing vs. Intraday

Combining a decentral
control structure with a
common market

Balancing vs. Intraday markets



- Questions
 - How do we combine as-close-as-possible ID markets with XB Balancing processes?
 - Should Belgium or Germany introduce hourly balancing products if they do not need them? How would this affect the liquidity of the local closest-to-real-time Intraday market?

Code split into 3 main areas

- Procurement and product definition
 - *Product and procurement harmonization*
 - *Procurement of Balancing reserves*
 - *Procurement of Balancing energy*
- Capacity reservation and use
 - *Cross border exchange*
 - *Reserve sharing*
 - *Co-optimisation methodology to reserve / allocate capacity*
- Imbalance settlement
 - *Imbalance settlement period*
 - *Imbalance pricing methodology*
 - *Volume calculation*

Main Links to Other Codes

- Links to LFC&R
 - LFC&R introduces “area hierarchy”
 - synchronous area – control block – control area, etc
 - NCEB will have to translate this into “Balancing timeframes”

- Links to CACM
 - CACM refers to “Bidding zones”
 - “Balancing Area” to be introduced – unclear as yet

Stakeholder engagement

- What stakeholder engagement has taken place within:
 - Europe (ENTSO-E) –Introductory meeting 11 Oct
 - GB (JESG) – first mtg 7 Nov
- What further stakeholder engagement is planned?
 - External – stakeholder meeting planned 10 Dec by ENTSO-e
 - Internal – further JESG

Questions?
