

European Regulators group for
Electricity and Gas
28 rue le Titiën, 1000 Bruxelles

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Our ref.: [38577-1](#)

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Dear Sirs

Comments on ERGEG Guidelines for Good practice on Information Management and Transparency in Electricity Markets

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Introduction

Norwegian Electricity Industry Association (EBL) welcomes the [ERGEG Guidelines for Good Practice](#) on Information Management and Transparency in Electricity Markets. In terms of developing a truly competitive pan European Electricity Market such guidelines is a step in the right direction. EBL agrees in the main principles presented in the guidelines. However, we have some comments to the proposed guidelines.

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Transparency in electricity markets.

Market transparency is crucial for a successful development of efficient regional electricity markets, as well as a pan European Electricity Market. EBL supports the view that information shall generally be made available to market participants unless there are clear reasons for not doing so (e.g. in case of legitimate commercial reservations or system security issues), or if the cost of providing the information is proven significantly higher than the expected benefits. There should be full reciprocity on information to secure a level playing field to all stakeholders.

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Efficient wholesale markets are a prerequisite for efficient competition throughout the whole electricity market. A well functioning wholesale market will enable the market players to hedge their market risks efficiently. To compete effectively in the wholesale market, all wholesale market participants – traders, generators and retailers - need to forecast future demand and supply fundamentals and available capacity in the transmission system. Participants base their forecasting not only on analysis of expected levels of future demand, transmission capacity and generation capacity. As well important are detailed analysis of actual events in the past and the observed impact on prices. Open access to demand, transmission and generation data – both before and after the date of delivery - is therefore crucial.

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The Nordic market is generally considered as transparent with thousands of data items being released every day (by the Nordic TSOs and Nord Pool). Information transparency in terms of production capacities, fuel mix, demand, maintenance plans, outages (in both transmission and generation facilities) etc is a prerequisite for creating liquid markets and trust in the price formation. This is also a prerequisite for creating a level playing field for all participants in the market.

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EBL will emphasize that:

- Information transparency is of imperative importance in building market confidence and, a prerequisite for a well-functioning market.
- Full trust in market prices can only be achieved if the prices truly reflect the resources available.
- Market actors must have equal access to information from all relevant markets – c.f. information provided to the market by Nord Pool.
- It is important that information on transmission capacity is respectively available as transmission capacity has a similar effect on prices as production capacity.
- TSOs should publish real-time information of national power systems. TSOs should develop a uniform structure of such, information by using the best practises gained in different countries.
- Uniform market information between neighbouring power markets should be available in order to create equal terms and a level playing field for all market participants. .
- One common information source should be established, e.g. from a WWW site, in order to increase information transparency and secure the quality of accurate and timely given information for all participants.

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Specific requirements on information transparency in electricity Markets

Information about investments and maintenance as well as other relevant planned works or urgent outages/disconnections must be available. The information should be given timely and include relevant historical data as well as relevant plans for future operations. To avoid insidetrading there should be an information system for urgent messages, on changes in capacities and, failures.

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Transparency of Information on Generation, additional remarks:

- Installed generation capacity on an aggregated level, and split into operational units (blocks). Information about primary energy sources is vital.
- Ex post and ex ante information of the generation schedules, (start and stop dates).
- Investment plans, plans for maintenance that influence generation capacity (day ahead – 10 year)
- Filling rates and statistics of water reservoirs on an aggregated level
- Urgent messages concerning, generation capacities

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Transparency of Information on Transmission, additional remarks:

- Investments and maintenance activities that influence transmission capacity (1 year – 10 years)
- Operational activities (day, weeks, months) that influence transmission capacity
- Urgent messages concerning, transmission capacities

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Transparency of Information on Congestion Management and Interconnected Capacities, additional remarks:

- Transmission capacity available for commercial trade on price area borders or interconnections should be given.
- To obtain an optimal market coupling between markets the implicit auction on cross border connections is strongly recommended.
- Should this not be feasible in the short run we suggest a combined model where explicit auctions can be used for monthly and annual capacity allocations. Unused capacity on a day a head basis should be made available for implicit auctions (use it or loose it principle) for the intra-day market.
- The TSOs and the market players should face clear financial sanction when failing to guarantee the ATC (available for trade) capacity. Such a guarantee would minimize the risk of reduced cross border capacity due to internal congestion problems.
- Harmonising information from spot markets, intra-day markets, balancing power, and load shedding.

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Transparency on information from the balancing market and congestion management is important. Today TSOs in some situations limit the interconnection capacity to solve internal congestions. This is in our view an inefficient way to handle congestions. However the guidelines indicate that a system where congestions are "moved" may be accepted for different reasons for a limited time. In these cases the TSOs should give specific information concerning the reasons for moving congestions. For a long term solution the Guidelines on Congestion Management require the TSOs to make transparent plans for how they will solve internal congestions alternatively to move them to the international borders. To gain full reciprocity on market information we propose that ERGEG follow up this issue and make a more specific rule on when and how such information should be published to the users.

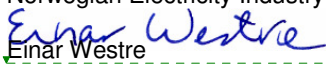
Summary and final remarks.

Market transparency is crucial to develop an efficient pan European wholesale market for electricity. To obtain transparency on market information from day one in a common wholesale market it is important to have a binding time schedule for the progress from national markets to regional / common markets. Market transparency requires full reciprocity on information about generation, transmission, congestion management and access to interconnections to all actors in the market. Price and volume offers in the balancing market should be made available and market based prices should be used in balance settlement.

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EBL hope that these comments will be of help for ERGEG in preparing the final guidelines on Information management and Transparency in Electricity Markets.

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 Norwegian Electricity Industry Association

 Einar Westre
 Director Industry policy

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 Ole Haugen
 Senior Adviser

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