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Per email: electricity_transparency@erggeg.org

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EREGG's Advice on "Draft Comitology Guideline on Fundamental Electricity Data Transparency (# E10-ENM-02-07)

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Dear Ladies and Gentlemen, dear Mrs Geitona,

EnBW welcomes the opportunity to comment on the consultation on EREGG's Advice on the "Draft Comitology Guideline on Fundamental Electricity Data Transparency".

The Draft Comitology Guideline on fundamental electricity data transparency will lead to an EU-wide and legally binding and harmonized standard. In fact we have been closely following the respective discussions based on the Regional Reports on Transparency and have also been actively involved in setting up the German transparency initiative at the European Energy Exchange (EEX – www.transparency.eex.com). We believe that transparency of fundamental data is a key aspect for the development and promotion of functioning electricity wholesale markets.

Having been involved from the start of the EEX transparency initiative, we believe that this initiative sets a benchmark with respect to the publication of market-relevant data (both regarding ex-ante as well as ex-post data). The initiative is based on a great effort with a significant use of resources (of IT infrastructure in particular). Therefore we believe that it is of utmost importance that these efforts are taken into account when discussing and evaluating reporting and disclosure procedures within the proposed guidelines. All stakeholders involved (TSOs, generators and PX) incurred remarkable costs (for TSOs not covered by their grid tariffs due to incentive regulation) in the process of setting-up and running the platform in the order to fulfill the Nordic Transparency Report; in fact we think that this was the first project thoroughly implementing these requirements.

We would thus like to stress that for efficiency reasons any duplication or additional work which generates additional costs should be avoided because no one should be forced to do its homework twice.

We believe that the implementation of the proposed requirements can well be done on existing platforms such as the EEX platform where reporting routines are well established based on common definitions which have been set up in a bottom-up approach involving all relevant stakeholders. Therefore we fully support the provision in 3.4 which accepts this as a way of reporting the information required to a central information platform. In this context we would appreciate more clarity and consistency within the Draft Comitology Guideline where such a possibility is not described in a consistent manner (see for instance 4.3.1). We also support the possibility to disclose the respective information on the website of other parties (other than a central platform such as for instance power exchanges); we believe that data of market relevance should be available as close to the market as possible.

Another general point to be made is that the publication of disaggregated data is compliant with competition law. It is also important in this context that in order to avoid regulatory uncertainty it should be clear from the outset that any relevant regulatory issues have been considered and resolved.

It should also go without saying that that everybody required to report information do this on an best effort basis and should therefore not be made liable for any faulty data or data that will turn out to be adjusted over time; this is important because many data items to be reported can only be based on best estimates (such as the duration of outages, wind and solar forecasts).

What should certainly also be clear is that no commercially sensitive data is required to be published within such a transparency framework as set out by the draft comitology guideline.

General issues

Question 1: Are there additional major problems or policy issues that should be addressed by the draft Comitology Guideline on Fundamental Electricity Data Transparency?

As said above, we believe that there are already well established and accepted national/regional platforms. Therefore, the Comitology Guideline should build upon the standards achieved on these platforms and allow at least the coexistence of the proposed central European platform and these national/regional platforms. In addition, we believe that a more detailed road-map for the implementation of the central platform should be included in the Comitology Guideline.

Question 2: What timescale is needed to implement the Comitology Guideline on Fundamental Electricity Data Transparency seen from your organisation's point of view?

We believe that the experience with the implementation of the EEX transparency platform can serve as a good reference. The overall implementation (from planning to becoming operational) took about two years. For a central European solution we believe that a minimum of two years is necessary because the amount of parties involved will be much greater and they also have to cope with regional/national peculiarities. Again, we believe that the existing ways of reporting to the existing platforms should be maintained; they will in fact reduce the time needed for the implementation of the Comitology Guideline. It may also be worthwhile to consider a step-wise approach to its implementation.

Question 3: Do you see a need for more firm specification of the role of each market participant in delivering transparency data to the TSO/information platform in the Comitology Guideline on Fundamental Electricity Data Transparency?

Yes; we think it is extremely important that the roles and responsibilities of all market participants and the TSOs and DSOs (which play a role when for instance forecasting distributed generation such as solar power is required) are clear. It is in our view further important that other crucial aspects such as liability issues are clearly defined.

Generally, data should be reported on a best efforts basis – this is particularly relevant for generation data (e.g. in most cases of outage no immediate and fully reliable information such as cause and duration is available) but also for any forecasted data. In this context we would also like to emphasize the necessity to recognise that the quality of certain information to be published may be more important than the speed of publication in order not to cause the circulation of non-reliable or even confusing information; again it is important to bear in mind that the main aim of the transparency initiatives should be to serve the needs of the market parties and to support the functioning of markets.

Question 4: Do you see a need for more firm specification of the role of the TSO in collecting data in the Comitology Guideline on Fundamental Electricity Data Transparency?

Where the publication of information of different data owners is already established on national/regional platforms, it is essential that the operator of these platforms are also allowed to send the data published to a possible central European platform on behalf of the TSO (on the basis of a contractual agreement between the parties involved).

Generally, we do not see the need for an exclusive role of TSOs to collect data, particularly when looking at generation data: the main aim of the Comitology Guideline on Fundamental Electricity Data Transparency should be to create transparency of market and price relevant information. The aim should not be to provide TSOs with information. Thus, we strongly argue that the Comitology Guideline should also provide for direct reporting of generation/consumption data to the transparency platform. In fact, this is a well established and reliable approach of the EEX transparency initiative.

At the same time, it should also be clear that data must be reported only once; we do not support multiple reporting duties; in fact we consider this a key criterion.

Question 5: Taking into account the interface between wider transparency requirements and the costs of data storage, do you consider storage of basic data for 3 years, to be made available for free, as sufficient?

Yes. It may also be considered to store data longer as a commercial service for scientific research purposes.

Question 6: Are the suggested market time units for information reporting and publication requirements adequate and compatible with wider transparency in a European perspective?

The information on transparency should closely correlate to given market time units. We believe that one hour is an appropriate market time unit as can be observed on most European wholesale markets.

Question 7: How do you see the costs and benefits of the proposed transparency framework for fundamental data in electricity? If possible, please provide qualitative and/or quantitative evidence on the costs and benefits or ideas about those.

All costs of the TSO and DSO induced by the Comitology Guideline should be recoverable. Especially in systems of incentive regulation adequate cost recovery-models must be implemented.

As transparency is a key aspect for liquid and sustainable markets, the benefits of a proper transparency framework should exceed its costs if implemented in a balanced way. Still it is essential to also keep the costs for delivering, checking, storing etc. in mind.

Load issues

Question 8: Do you see a need for publication of load data linked to different timeframes or an update of load data linked to different timeframes than those suggested in the draft document?

Load forecasts are important because they help market participants to understand the market. However, updates and different timeframes should only be provided for after their costs and benefits have been taken into account.

Generally, there should be uniform definitions of what is published as load; we prefer the publication of total load. In this context, we also would like to stress the role of DSOs in defining load as they have a role to play when forecasting generation of RES such as photovoltaic.

Question 9: The draft document suggests that the information on unavailabilities of consumption units is disclosed in an anonymous manner identifying the bidding area, timeframes and unavailable load. Do you consider these pieces of information sufficient for the transparency needs of the internal wholesale electricity market or should also the name of the consumption unit be published?

As for all data categories, we believe that the respective data disclosed should be market relevant and the rules for all data categories should be similar, in particular as regards thresholds. Thus, only consumption units greater than 100 MW should be included in the reporting and publication system. Further, we do not see the need to also disclose the name of the consumption unit but agree that the information on the unavailability of consumption units is disclosed anonymously identifying the bidding area, timeframes and unavailable load.

Transmission and interconnectors

Question 10: Should the publication obligations regarding planned or actual outages of the transmission grid and interconnectors require the publication of the location and type of the asset (i.e. identify the part of transmission infrastructure that due to planned outage or a failure is facing a limitation in its transmission capacity) or should the information on transmission infrastructure equipment outage be non-identifiable? Please justify your position why either identified information would be necessary or why only anonymous information on the transmission infrastructure outages should be published.

Generally, we consider it important to assess the demand and supply balance. Consequently, planned and unplanned outages should be known in the market as it may restrict market activities. Thus, at least the respective capacity, bidding area and expected duration (determined on a best efforts basis) should be known. Further, in order to be able to assess price developments in different markets, cross-border information on transmission should be published as this will also have an influence on prices; such cross-border information should particularly take into account the market integration initiatives (e.g. market coupling but also the long-term auctions of interconnection capacity).

Question 11: The requirement to disclose outages in the transmission infrastructure is proposed to be placed on such events where the impact on capacity is equal to or greater than 100 MW during at least one market time unit. Do you consider this absolute, MW-based threshold appropriate, or should the threshold be in relation to e.g. the total generation or load of the bidding area, or alternatively, should the absolute threshold be complemented with a relative threshold? The relative threshold would mean, for example, that the publishing requirement would apply if a planned or actual outage of transmission infrastructure would equal to or be greater than 5 per cent (or any specified percentage value). This question on relative threshold stems from the fact that for some bidding areas the proposed 100 MW threshold may be relatively high. However, raising the general European threshold might in the majority of the European bidding areas lead to too low a threshold and a vast amount of information being reported.

We do not consider a dynamic relative threshold a good approach as this will cause confusion rather than provide added-value. Rather, we strongly believe that there should be the same static threshold for transmission infrastructure as for the other categories, i.e. 100 MW.

Question 12: With regard to publishing requirements on congestion, what kind of information do you consider important to receive and how frequently? Please justify your position.

We consider the immediate notification of outages of infrastructure impacting cross-border capacity essential. This type of notification, however, is already common practice. Any other publication of congestion issues is also important.

Generation

Question 13: Should unavailability of generation infrastructure relate to a given plant or a given unit? Please justify your position.

The general approach should be to have an as large as possible coverage in order to provide the market with the relevant market data. When focusing on a unit level, the coverage may be lower than focusing on a plant level. We are also not fully convinced of the benefit a unit-by-unit publication would provide. The key information needed is whether the unavailability is larger than 100MW (e.g., some plants use the same steam turbine / generator and it thus makes more sense to publish information per plant). In any case, clear definitions for reporting and publication are required.

With regard to unplanned outages we think that they should be disclosed immediately "when expected to last longer than one hour". In any case, information about the duration and cause of outages should be provided only on a best efforts basis as it usually takes some time after the event to obtain full and reliable information of all the issues relevant.

It is further important to run plausibility checks in order to avoid any confusion in the market.

Question 14: The draft document proposes that actual unit by unit output for units equal to or greater than 10 MW be updated real time as changes occur. Do you consider the 10 MW threshold for generation units appropriate?

We do not consider a 10 MW threshold for generation units appropriate. Rather, we believe that for consistency reasons there should be a general threshold of 100MW for all data categories. A threshold of 10 MW in combination to the (near) real time publication will lead to significant investment becoming necessary, particularly in IT infrastructure. At the same time we do not really see any added-value for the market, which certainly is an issue to be considered when analysing cost and benefits. If it can be shown that a lower threshold leads to a significant increase in coverage of market relevant information, we could consider 50 MW as a possible minimum threshold.

Regarding the period for updating the actual output, we would further propose to align the timeframe to "market time unit" (i.e. per hour).

Question 15: The requirement to disclose hourly information on actual aggregated generation output is now related to generation type. Should this threshold be linked to fuel requirements or generation technology?

We consider it appropriate to publish data of aggregated generation linked to the fuel type in order to guarantee compatibility with other data (capacity, unavailability etc.) and the commodity markets. If the information is presented by generation technology it may lead to less transparency. The amount of different generation technologies may exceed the needs of common market participants and analysts. This type of information is better placed at the power plant lists which should also be published (see www.transparency.eex.com/en/Information/reporting-companies as reference). Thus, plant-by-plant data related to the fuel type together with static information of the respective plants will provide the full picture.

Balancing and wholesale data

Question 16: The transparency requirements on balancing have been widened compared to the Transparency Reports prepared within the framework of the Electricity Regional Initiatives. Is the proposed list of data items sufficient – also taking into account the evolution towards cross-border balancing markets?

Generally yes as it more or less reflects the current standard of the German balancing market. Still we would like to make some specific comments:

Re 4.4.1.3: it should be made clear that the total of accepted bids for up and down regulation for each operational hour shall also be published for the automatic secondary reserve.

Re 4.4.1.4: it should be made clear that ex-post information on the actual use of activated reserves by reserve product should also include the direction of the regulation (i.e. up or down).

Re 4.4.1.6: we are not convinced that the publication of the respective information at least two hours before the following procurement procedure is the appropriate approach and will be sufficient. Rather, the results of an auction should be published as close as possible to the respective procurement process. In other words, we do not consider it a correct approach that the result of a monthly auction, for instance, will only be published three weeks, six days and 22 hours later while market participants only have two hours to prepare their bids for the following auction.

Generally, there seems to be some overlap of the various requirements, see for instance 4.4.1.4, 4.4.1.5 and 4.4.1.9.

Question 17: The transparency requirements on wholesale market data have been deliberately left outside the draft Guidelines as they will most likely be addressed by other legal measures that are currently under preparation. Should some basic wholesale data, i.e. information on aggregate supply and demand curves, prices and volumes for each standard traded product and for each market timeframe (forward, day-ahead, intraday) as well as prices and volumes of the OTC market still be part of the Comitology Guideline on Fundamental Electricity Data Transparency?

We are not convinced that basic wholesale data should be part of the Comitology Guideline on Fundamental Electricity Data Transparency as it should be limited to fundamental data. We would also like to point out that wholesale data transparency will be dealt with in other initiatives. In this respect we would like to emphasize that an overarching approach needs to be taken for all the different transparency initiatives as regards fundamental data or trade data (within the framework of a separate ERGEG initiative or even through requirements resulting from financial regulation). Any duplication of specific reporting requirements as well as any overregulation should be avoided. At the end of the day, the main objective of all the different transparency initiatives should be to support and foster the market and not to hamper its development or even harm it.

EnBW hopes that its comments contribute to the consultation on ERGEG's Advice on the "Draft Comitology Guideline on Fundamental Electricity Data Transparency".

We remain at your disposal should you have any further enquiries.

Kind regards.

Yours sincerely

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