

**bne-Statement on:**

## **EREGG Public Consultation Paper Draft Comitology Guideline on Fundamental Electricity Data Transparency**

bne welcomes the initiative to improve transparency of fundamental electricity data. Transparency is a prerequisite for functioning markets and is thus of great importance for the development of the single European market.

### **Questions for public consultation**

#### ***General issues***

- 1. Are these additional major problems or policy issues that should be addressed by the draft Comitology Guideline on Fundamental Electricity Data Transparency?*

The draft guidelines focus on the content of the transparency requirements, neglecting that the relevant data has to be gathered, transmitted and processed by the parties involved. This technical aspect is a major cost-driver and should be addressed within the guidelines. At least the process to develop and determine the technical details has to be addressed. An adequate involvement of the stakeholders in the consultation process and a final assessment by ACER has to be included in the guidelines.

The data to be transparently published according to the guideline are very detailed, and thus aimed at in-depth analysis of the markets. In order to enable better decisions in short-term trades the information should be aggregated. Traders should be able to assess the actual situation with a glance. We advocate the introduction of a primary, highly aggregated view within the central information platform. This view should display the current total load per national market, the total generation per national market and the current congestion-situation of the grid.

For installed generation, only units larger or equal 1 MW are requested to provide information. This does not reflect the fast development of small renewable generation, which aggregates to several GW in some regions. TSOs should provide an estimation of the total installed capacity on a monthly basis, including small generation. This estimation should differentiate the technology of the installed generation.

We were surprised that the guidelines preclude the publication of electricity data on other platforms, unless the definitions/standards of the guidelines are met (see Nr. 3.8). We believe, that a publication on other platforms should be allowed, even when deviating from the standards, as long as the differences are explained.

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

Given the complexity of the technical processes and the necessity of a thorough consultation process ahead of the implementation, we would assess a timeframe of 24 month for the implementation of the guidelines.

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?*

A firm specification of the role of each market participant is very important. It must be avoided that some market participants are given an advantage in trading through providing more timely information to those market participants. TSOs in Germany are obligated to market renewable energy, making them to leading traders. Therefore a publication of the electricity data by the TSOs or the gathering of the abovementioned information by the TSOs is not acceptable. The central platform has to be operated by a party not directly involved in trading. The responsibilities and roles have to be clearly defined beforehand – in the guidelines.

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?*

See answer to question 3.

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?*

Three years is an acceptable timeframe.

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

For the actual generation-mix the time units are adequate. With an increase of intermittent renewable generation trade will have to become even more short-term, thus the time units will have to be reconsidered in a few years.

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.*

Overall we assume a very positive effect of enhanced data transparency. But we see an unequal burden allocation, which has negative effects for small market participants and new entrants. The costs of providing the information required by the guidelines are higher for small market participants, compared to large market participants. A simplification or relaxation of the requirements for small companies should be considered.

The information on capacities and availabilities of generation units provided by the guidelines do raise competition issues, as they allow for a clear picture of the overall situation of small competitors. Thus information concerning small competitors should not be published on a per unit basis. If the party publishing the information on a central platform is independent from market interests and can guarantee the confidentiality of the received information, the data from small market participants could be used in the aggregate numbers of total capacity available.

### ***Load issues***

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?*

No, the guidelines are comprehensive.

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?*

It is not necessary to publish the name of the consumption unit.

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.*

There are two aspects that should be considered. Detailed information about the precise piece of infrastructure affected by an outage is not relevant for trading activities. In contrary, this information would only obfuscate the relevant information. Traders need information about the impact of the outage on the overall grid capacity, load and generation in the market region. This information enables traders, generators and switchable loads to reassess their decisions and readjust their positions. That kind of information should be made available on a time-unit base.

The second aspect is the assessment of the quality and resilience of the grid in a specific location, giving necessary information to investors of new generation capacity. This information is not as time-critical as the impact on the actual grid capacity, thus a later publication could be envisaged. But both aspects are relevant for the markets and should therefore be published.

To identify small generation companies the share of each company's installed capacity to the total capacity installed could be a suited basis.

*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.*

For a start a threshold of 100 MW is appropriate. This issue should be observed as part of the monitoring.

*12. With regard to publishing requirements on congestion (in paragraph 22 (d) and (e)), what kind of information do you consider important to receive and how frequently? Please justify your position.*

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### **Generation**

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

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*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?*

The changes in output of units with less than 100 MW have only a very marginal influence on the markets. The amount of information would only massively grow and thus complicate the analysis of the information and engender costs.

*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?*

The fuel type is relevant for the market price, therefore it should be published. Furthermore the actual aggregated generation output of renewable generation should be explicitly disclosed and updated hourly, as the share of that type of generation is, at least in some regions, large enough to influence market prices.

### ***Balancing and wholesale data***

*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?*

See general remarks.

*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?*

The publication of the load data according to the guidelines is sufficient and wholesale data transparency should not be covered in the present guidelines.

**Berlin, 28.10.2010**