



## „Guidelines for Good Practice on Information Management and Transparency in Electricity Markets”

Draft Consultation Paper (Ref: E05-EMK-06-10)

### Comment of the Austrian Electricity Sector (10/5/2006)

Dear sirs

We thank you for granting us the opportunity of commenting on the consultation paper “Information Management and Transparency in Electricity Markets” published by ERGEG and wish to provide the following information:

#### **General information:**

On principle, we believe that the transparency and availability of sufficient information are indispensable prerequisites for the European electricity markets to function and to gain the confidence of all stakeholders such as customers, generators, energy traders, prospective new entrants, e.g. from the banking sector, and regulators in a liberalised electricity market.

However, we would like to comment on the discussion paper that the list of data to be made available is very comprehensive and detailed and that it is therefore a maximum requirement and not, as presented by ERGEG, a minimum set of rules.

#### **The following fundamental framework conditions must be met with respect to market transparency:**

- A uniform, accorded and harmonised approach throughout all market participants and well coordinated rules and regulations within a price zone (of a regional market) are required.
- There should be no national “going it alone” action regarding statutory and regulatory requirements, since this might be counterproductive for a fast development within the price zones and, under certain circumstances, discriminating for individual companies. An international harmonisation of definitions and of data collection as well as of the publication procedure has to be ensured.
- All data must be made available to all market participants at identical conditions and be easily accessible.
- All data and information published must be authorised (reviewed for their plausibility) and always be published simultaneously.
- It must be ensured that no liability claims of third parties (other market participants) may accrue for carefully prepared data and information.
- All data and information within a price zone should be based on standard definitions and formats to the maximum possible extent and be harmonised across national borders, regulator areas and control areas.

**Of course, it has to be ensured that - through the publication of information**

- competition is not undermined or disturbed
- no information is (has to be) disclosed, which is sensitive economically and competitively
- no intolerable and disproportionately high burden is imposed on the market participants
- or its provision no measures for a market re-regulation are taken
- the costs for the individual market participants have an adequate relationship to the benefit
- sufficient lead time for the implementation on the part of the market participants within a price zone is ensured. The step-by-step implementation based on priorities would be a sensible solution.
- data and information - based on a voluntary agreement and non-statutory obligation if possible - will be made available across a price zone and, in future, throughout Europe.

**The following is missing in the ERGEG proposal:**

- A definition of the term “control area”. The aggregation level for the relevant data and information should correspond to one of the already existing price zones (or, for cross-border activities, the borders between price zones). We regard it as not purposeful and highly detrimental to competition when aggregation levels are equated to the areas of responsibility of the individual national states, TSOs or regulators. Adjustment and aggregation of data and information to/at smaller “local areas” within a price zone has no relevance for price formation within a price zone. Within the sense of fair competition it must be ensured that data aggregated and published does not allow any conclusions to be drawn on economically sensitive data of individual companies.
- Who receives information to be provided in which form and to which extent it is forwarded to which parties. It should be ensured that independent third parties collect and process such information (e.g. exchanges and information providers). By selecting an information provider or an exchange, the confidence of market participants in the process could be increased significantly.

**In addition we would like to note the following:**

- Throughout Europe, hydroelectric power generation has a minor role only (share of ≤ 10 %, with declining tendency). Significant storage power station capacities are available only in France, Switzerland, Italy and Austria. In order to assess daily security of supply in Europe, weekly announcement of filling rates would not be necessary in our opinion; ex-post monthly announcement of the storage capacity in [m<sup>3</sup>] and of the energy content [MWh] would be sufficient. In particular, we would like to refer once again to the aforementioned explanations regarding handling economically sensitive data of individual companies.
- As regards the timing of publication of unplanned outages we would like to point to the fact that the TSO, with publication “immediately after occurrence”, is given enough time to localise and perhaps remove the outage, before the market has to be informed of the relevant outage.

- The suggested periods for data provision are to be discussed in detail with the market participants. We regard it as sufficient when outages and non-availabilities of generation plants are to be notified on the following day and not immediately after occurrence. On the one hand, in order to have sufficient time for investigating the reasons, duration, etc. and, on the other, to give the generator the opportunity of hedging and not being exposed to the additional price risk in connection with not yet fully liquid electricity markets.
- It is sufficient when the generation capacity available for the next periods and the actual generation capacity per primary energy source are announced in arrears. We regard any additional ex ante information about the scheduled power plant utilisation as not being purposeful.
- Only information that contributes to better functioning of the market should be processed and made available.  
All information that leads to parallel activity in addition to the market participant's business activity seems to be a problem. An example is the request for a week-ahead load forecast per control area. The method of forecast preparation is not standardised, which means that information may be useless for any follow-up measures.

We ask you to take our comments into account.

If you have any queries please do not hesitate to contact DI Ursula Tauschek on +43-1-50198-223 or by email ([u.tauschek@veoe.at](mailto:u.tauschek@veoe.at)).

Best regards

**VERBAND DER ELEKTRIZITÄTSUNTERNEHMEN  
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