



ETSO Answer to ERGEG's Public Consultation on 'Guidelines for Good Practice on Information Management and Transparency in Electricity Markets'

ETSO welcomes the opportunity to comment on ERGEG's consultation paper C05-EMK-06-10 on 'Guidelines for Good Practice on Information Management and Transparency in Electricity Markets'. ETSO fully supports the aims of the Guideline for Good Practice (GGP) as a positive step towards the development of a more efficient IEM and the establishment of a consistent approach to the provision of market related information to wholesale market participants across Member States.

In addition to the detailed comments and amendments to the text of the GGP accompanying this short note, ETSO would like to raise a number of high level issues or general comments. These are described below.

1. Value and Access to Data

Without wishing to diminish the importance of transparency of data to the market, ETSO would suggest that an important enabler to the achievement of ERGEG's aims is the promotion of inherently transparent market mechanisms and designs, rather than simply relying on data publication as the primary means of informing the market (e.g. mechanisms where the outcomes are visible and revealed in real time). Where transparent mechanisms exist, this may negate the need for additional, potentially duplicated and costly close to real time data publication.

As a general principle, ETSO believes that data should add value to the market when published, as otherwise this would potentially represent an unnecessary cost to the market for no benefit. The GGP identifies several instances of the requirement for H+1 or 'immediate' ex-post data, and this would appear to be reasonable where events/incidents/failures of either the grid or generation could have an immediate impact on market prices and stability, however, where this is not the case this general requirement could be questionable in terms of the need/value to market participants of its publication in these timescales. Further analysis is required with respect to the prospect of incurring potentially high administrative burden and costs in an uneconomic manner. These costs may extend to such areas as process modifications and procedures, IT infrastructure, development and operational resources and training. In any cost/benefit analysis including the above, the state of readiness and compatibility of existing technical systems in supporting this provision should be taken into account, and it may be appropriate to consider different levels of access to the data as appropriate and economic (e.g. data that may only be accessible by TSOs, or access to data on a need basis via a system of market participant registration, or open access to the public...).

2. The Data Identified in the GGP Tables

ETSO would like to suggest the inclusion of a reference to the User/Beneficiary as part of the existing key benefits column within the data tables of the GGP (e.g. who benefits, and why). This will facilitate and assist in identifying, as discussed above, the 'added value' of the publication of data. This should not preclude the greater availability of data for market monitoring purposes only.

ETSO believes that a more specific definition of Load is required (e.g. taking into consideration lower voltage 'distributed generation' sources) in order to maximise the added value and coherency of the meaning of the same kind of information in different markets. The important role of DSOs in wholesale market transparency should be more clearly defined in the tables.

Greater clarity is required in the tables and text of the GGP with respect to roles of parties involved in data supply, exchange and publication (i.e. Source/Owner; Provider/Aggregator), and a more consistent approach is necessary in the use of terminology within the paper. (i.e. provider, holder, manager, aggregator, user, owner etc).

The inclusion of a 'Data Source' column would contribute greatly to the data tables as this would assist in clarifying the responsibilities of TSOs with respect to data provided to them by other market participants. Particularly, in this regard, the GGP needs to achieve a far greater balance in the emphasis it places on TSOs as providers of information in order that it adequately reflects the accountabilities that should fall to the source/owner of the information. TSOs should not be held accountable for information that they receive from other market participants or third parties (DSOs...) and which they use or publish in good faith.

Data from generators amongst other market participants (particularly in areas of high market concentration) is of particular importance to achieving improvements in transparency for both operational and planning purposes (TSO to TSO), and for publication. In the same way this data is essential in facilitating fair and efficient markets.

3. Use of Data

ETSO strongly supports the facilitation of the IEM under safe and secure conditions, and wishes to promote the development of transparency of information to the market. However, we believe it is essential to stress that the primary use of data by TSOs should first and foremost be related to the secure operation of the system(s). High quality, reliable and timely data will assist in determining more reliable and accurate forecasting and interpretation of physical power flows, helping in defining the most effective and efficient actions for secure congestion management. In this respect, TSOs have a strong dependency on the quality and availability of data from other market participants, and to this end the GGP should include more explicit requirements on the source/owners of the data toward achieving this.

Access to relevant data from market participants is today an issue for some TSOs. The availability, quality and timeliness of such data from market participants further represents, in ETSO's view, the first step towards a foundation of data exchange processes essential to the secure operation of the system(s) and transparency aims of the IEM. It is essential that regulatory and market frameworks which facilitate the free and confidential exchange of data for the TSOs' operational and planning purposes are developed which maintain a high degree commercial confidentiality for market participants. But there still has to remain confidentiality regarding specific commercial TSO-activities.

The provisions of the draft Congestion Management Guideline of Regulation EC 1228/2003 call for a more efficient utilisation of the interconnection capacity and related existing infrastructure, while promoting a higher level of transparency on TSO-level¹. In order for TSOs to fulfil obligations under the CM Guideline and the GGP, a potential contradiction may exist between the obligations under the CM Guideline, the GGP and individual member state data confidentiality law. This begs the question: which takes precedence? In order to assist in solving these potential incompatibilities, ETSO members intend to provide ERGEG with a survey of the current state of the legal situation on data availability and exchange as they exist and affect TSOs use in each Member State. To solve this problem in the short term, ETSO supports the establishment of an over-arching data confidentiality agreement/framework supported by all market participants and promoted by regulatory authorities to facilitate data exchange and publication.

4. Coordination and Ways Forward

The GGP seems to recognise that TSOs are best placed to facilitate the publication of the required data. ETSO also recognises the possibility and benefits of centralised European standardisation, collation, ratification and publication of data. In this context, ETSO members have agreed to develop the concept of a Transparency Platform through which all European TSOs will publish the relevant information for the market including data belonging to TSOs as well as data from market players if the latter agree to do so taking into account their commercial objectives and national legislation. Aimed at laying the foundations for an ETSO service, the development and harmonisation of data exchange standards and the development of mechanisms for recovery of costs are also being analysed by ETSO. ETSO would also like to suggest to ERGEG the organisation of an ETSO Transparency Conference in Autumn 2006 where these ideas and more issues can be discussed amongst a wide participation.

ETSO is willing to help in facilitating the conditions for an overall harmonisation and compatibility of the different legal frameworks and ETSO believes that ERGEG's Regional Initiatives would be an excellent opportunity for open debate with market participants.

The conclusions of the 12th Florence Regulatory Forum, held on 1-2nd September 2005, stressed the need for increased harmonisation and compatibility of rules in view of the development of regional electricity markets. Participants also highlighted the need for increased transparency to create a fair and efficient market. On these aspects, ETSO is of course willing to provide further information and context for this proposal, and to participate in the further discussions with ERGEG concerning further development in this area.

¹ According to the Conclusions of the 12th Florence Regulatory Forum, this was the objective of the ETSO List of Data of December 2005 available at www.etso-net.org. In this paper, ETSO has compiled a high level summary of the physical and market data that, if available to TSOs, may allow further progress towards the optimal use of interconnection capacity, and its related infrastructure between countries/regions, and promote a higher level of transparency on TSO-level.

Appendix to ETSO answer to ERGEG's consultation

ETSO comments on ERGEG's Specification of the Required Transparency of Information in the framework of the public consultation on the 'Guidelines for Good Practice on Information Management and Transparency in Electricity Markets'.

General ETSO comments:

- ETSO would like to suggest the inclusion of a reference to the User/Beneficiary as part of the existing key benefits column within the data tables of the GGP (e.g. who benefits, and why). This will facilitate and assist in identifying, as discussed above, the 'added value' of the publication of data.
- The inclusion of a 'Data Source' column would contribute greatly to the data tables as this would assist in clarifying the responsibilities of TSOs with respect to data provided by other market participants.
- Most descriptions of necessary information are still abstract and have to be/ can be interpreted. To harmonise transparency EU-wide clear definitions are necessary.

Annex: Specification of the Required Transparency of Information

Table 1. Required Transparency of System Load Information

ETSO believes that a more specific definition of Load is required (e.g. considering lower voltage 'distributed generation') in order to maximise the added value and coherency of the meaning of the same kind of information in different markets.

Without a clear definition 'actual load per price/market area' could also be understood as the sum of scheduled consumption and control energy.

Week ahead information should be considered in markets where week ahead products and trades take place.

Information	Publication	Timeframe	Key benefits of information	Provider
Actual load per price/market area	Just after real time	Per market time unit (e.g. per hour), to be kept for 2 years	<ul style="list-style-type: none"> To monitor and analyze market prices vs. system load & generation To validate forecast load & load forecasting models 	TSO
Day-ahead load forecast¹ per price/market area	Day D-1 ² for day D and for the day D+7 (next week)	Per market time unit	<ul style="list-style-type: none"> To estimate prices To evaluate and adapt requests for interconnection capacities To ensure the adequacy of generation purchases and energy sales with market needs (which improve network security) 	TSO
Week-ahead load forecast⁴ per price/market area	one to eight weeks in advance in a rolling mode	Per day, segregating peak and off-peak hours	<ul style="list-style-type: none"> Idem – in case there is significant new load or some load that was out of operation (e.g. damaged) is repaired, it must be included here too 	TSO
Year-ahead forecast⁴ per price/market area	Year Y-1 for at least next year (up to a max of 10 years)	Per year, total energy and peak load	<ul style="list-style-type: none"> To forecast long-term prices evolution To have a better visibility on the profitability of investment projects for generation capacities 	TSO or competent authority (for longer than one year forecasts)
System adequacy or forecast margin (as far as known by TSOs), i.e. the difference between forecast load⁴ and scheduled (D-1) or available (M-1, Y-1) generation per price/market area (ETSO suggests that this data is considered under the category 'Balancing' data)	Y-1, seasonal (e.g. winter-summer), D-1	Per relevant market time unit	<ul style="list-style-type: none"> To allow market participants to judge better investment and production decisions 	TSO (or competent authority for longer than D-1)

Other areas listed below might be worthwhile being investigated:

¹ Liquid forward and future markets will provide the market with information on expected market balance, complementing thus to certain extent the forecast information.

² Early on D-1 or D-2.

- information on forecasts and losses per price/market area.
- weather forecast information services (deviations referenced to normal temperatures) are being published by some entities and contribute to forecasts of the system load.
- the kind of load data that DSO could provide (load, losses,...) even if the issue is more relevant regarding transparency in the retail markets.

Table 2. Required Transparency of Information on Transmission and Access to Interconnections.

Information	Publication	Timeframe	Key benefits of information	Provider
Review of the EHV grid expansion projects (investments) per price/market area and impact of these projects on the transmission capacities within the price/market area and at the interconnections	Year Y-1 for the next min. three following years (up to a max of 10 years)	Per year	<ul style="list-style-type: none"> To evaluate future development of transmission grids and interconnection capacities and congestions in the years to come (proposed 3- to 10-years period) To evaluate future generation investment opportunity 	TSO
Planned works in the EHV grid and on interconnections with dates and their impact on the capacity of the grid and each interconnection (NTC)	Year Y-1 for year Y (updated with changes)	Per year, ensuring monthly update with any new relevant information	<ul style="list-style-type: none"> To guarantee an efficient use of transmission networks and interconnection To enable existing players to plan their position and to facilitate the access of new players to markets where competition is still under development 	TSO
Month-ahead forecasts of the interconnection capacity (NTC), taking into account all information available at the time of calculation	Month M-1 for up to the next 6 months (connected to preparation and updates of longterm maintenance plans)	Per month segregating Peak and Off-peak hours	<ul style="list-style-type: none"> To guarantee an efficient use of interconnection To facilitate the access of new players to markets where competition is still under development 	TSO
Week-ahead forecasts of the interconnection capacity (NTC), taking into account all information available (e.g. possible changes in maintenance plans) at the time of calculation	Week W-1 for week W	Daily or Peak and Off-peak hours where applicable	<ul style="list-style-type: none"> To guarantee an efficient use of interconnection To facilitate the access of new players to markets where competition is still under development 	TSO

Information	Publication	Timeframe	Key benefits of information	Provider
Day-ahead values of interconnection capacity (NTC)	Day D-1 for day D	Per market time unit	<ul style="list-style-type: none"> To guarantee an efficient use of interconnection To facilitate the access of new players to markets where competition is still under development To foster introduction and usage of the flow-based capacity calculation methods in order to raise compatibility between the commercial and actual physical flows between the different control areas 	TSO
Information on actual outages (planned and unplanned) at the highest voltage level having an impact on future NTC/ATC	Timely after occurrence To be kept available for a minimum of 2 years, preferably 10 years	Time of occurrence	<ul style="list-style-type: none"> To engender trust in the market place. To evaluate how security criteria are met To facilitate the access of new players to markets where competition is still under development 	TSO
Capacity requested (including priority rights) by market participants and capacity offered and assigned by TSOs	After each capacity allocation session	Per market time unit	<ul style="list-style-type: none"> To guarantee an efficient use of interconnection To facilitate the access of new players to markets where competition is still under development To foster introduction and usage of the flow-based capacity calculation methods in order to raise compatibility between the commercial and actual physical flows between the different control areas 	TSO

Information	Publication	Timeframe	Key benefits of information	Provider
Total capacity nominated by market players on inter-connections (commercial transactions)	After each session	Per market time unit	<ul style="list-style-type: none"> To guarantee an efficient use of interconnection To facilitate the access of new players to markets where competition is still under development To foster introduction and usage of the flow-based capacity calculation methods in order to raise compatibility between the commercial and actual physical flows between the different control areas 	TSO
Congestion income, volumes and prices in case of auction for regulated assets (hence relevant portion of merchant interconnectors excluded).	After each session	Per market time unit	<ul style="list-style-type: none"> To guarantee an efficient use of interconnection To facilitate the access of new players to markets where competition is still under development 	PEX/TSO
A description of reasons and effects of any actions taken by TSOs that have impact on cross border trade. Information on reductions of previously allocated transmission capacity rights.	Flows and effects after occurrence , other information D+1	Per market time unit	<ul style="list-style-type: none"> To guarantee an efficient use of interconnection To facilitate the access of new players to markets where competition is still under development To foster introduction and usage of the flow-based capacity calculation methods in order to raise compatibility between the commercial and actual physical flows between the different control areas 	TSO
Hourly physical flows and exporting/importing situation of the price/market area thermal ratings of the lines and transformers in the EHV grid	Week W+1 for week W	Per hour	<ul style="list-style-type: none"> To evaluate existing congestions on the interconnections and within the price/market areas To evaluate how security criteria are met 	TSO

The methodology for taking into consideration the thermal ratings of the lines and transformers in the EHV grid could be published by the TSOs. However, the added value (e.g. for electricity prices formation) of the publication of such technical information might be questionable, specially if the purpose is to establish inconsistent comparisons with other different data.

Market participants (traders) normally have difficulties with comparing NTC-/ATC-values on the one hand and physical flows on the other hand.

10 May 2006

Publications of too detailed power system(s) information may reduce general safety (terrorist sabotage...) unless access to it is carefully controlled.

The publications of the provisional timetable for yearly and monthly capacity auctions and of the so-called 'auction specifications' document (including the description of the products allocated by TSOs and the detailed timelines) could also be added in the table.

Table 3. Required Transparency of Information on Generation – this could be further related to system load, for example every generation unit larger than 1% of system load

Information	Publication	Timeframe	Key benefits of information	Provider
Total and available installed generation capacity at a minimum in an aggregated form, differentiated per primary energy source (preferably per single generator block (unit)) and its foreseeable evolution in the next three to ten years, including information on the type of generation from new projects	Year Y-1 for the next min 3 following years (up to 10 years)	Per year	<ul style="list-style-type: none"> To explain historic and forecast future prices To have a better understanding of historic price developments and possible outlook on the profitability of investment projects for generation capacities 	TSO or another institution or authority
Ex ante information on the scheduled unavailabilities of the generation units (start and stop dates of the outages, unavailable capacity)	Year Y-1 for year Y and regular updates	Per year and further updates	<ul style="list-style-type: none"> To be able to forecast future prices better 	TSO or PEX (market place)
Ex ante aggregated information on the scheduled generation per price/market area	D-1	Per system time unit	<ul style="list-style-type: none"> To be able to forecast future prices better To be able to consider influence on available transmission capacity 	TSO (based on the day-ahead reported generator schedules)
Filling rate of the water reservoirs in an aggregated form, by hydroelectric exploitation zone, per price/market area and per week in terms of percentage of the 100% filling	Week W+1 for the week W	Per week ³	<ul style="list-style-type: none"> To be able to forecast future prices better To analyse the impact of past events on prices formation 	Authority, PEX (market place), TSO and Hydro generators
Forecast and actual non-intermittent generation (e.g. wind)	Forecast for day D on D-1 and actual generation close to real time	Daily	<ul style="list-style-type: none"> To be able to forecast future prices better To be able to consider influence on available transmission capacity 	TSO and Generator
Information	Publication	Timeframe	Key benefits of information	Provider

³ It is assumed that availability of information per week is enough and any aggregation is up to the information users. It is expected that the information provider can restore that information for minimum 2 years after publishing.

Ex post information on the planned and unplanned unavailability of actually running generation units (start and stop dates of the outages, unavailable capacity and maintenance).	Close to real time	Per market time unit	<ul style="list-style-type: none"> To analyse the impact of past events on prices formation To give the possibility to react on longer unplanned outages 	TSO and Generator
Ex post data on the actual generation by fuel type within each country, classified by the primary energy source	Close to real time	Per market time unit	Idem	Generators provide, TSO aggregate and publish it short after real-time

Furthermore It could be discussed whether the concept of 'Accommodation of future generation capacities' might give additional benefit to the market.

Clear responsibilities are important: Data Sources of information in table 3 are PEXs, generators and not the TSOs. As a consequence provider should not be the TSOs.

In countries with a high percentage of intermittent generation (e.g. wind-generation) the centralised publication of forecasts can increase market-prices and has to be discussed.

Table 4. Required Transparency of Information on Balancing⁴

Information	Publication	Timeframe	Key benefits of information	Provider
Volumes of bids and offers used	Just after real time, to be kept at least for one month	Per balancing mechanism time unit	<ul style="list-style-type: none"> To help market players to formulate their balancing offers To increase the level of transparency in the management of TSOs 	TSO or responsible for clearing & settlement
Average and marginal prices of bids/offers with prices corresponding to global imbalance	Just after real time, to be kept at least for one month	Per balancing mechanism time unit	idem	TSO or responsible for clearing & settlement
Imbalance prices	Just after real time	Per balancing mechanism time unit	<ul style="list-style-type: none"> To help balance responsible to optimise their imbalance's level 	TSO or responsible for clearing & settlement
Price/market area imbalance volumes and volume of manually activated reserve (balancing power) used	Just after real time	Per balancing mechanism time unit	<ul style="list-style-type: none"> To help balance responsible to optimise their imbalance's level To enable monitoring 	TSO
Information on the financial balance of the whole market (expenses on the balancing market / payment of imbalances)	Month M+1 for month M, to be updated until final reconciliation	Per month	<ul style="list-style-type: none"> To increase the level of transparency in the management of TSOs To monitor the system of imbalances settlement 	TSO or responsible for clearing & settlement
Market information on the type of balancing bids/offers used	Month M+1 for month M	Per day	<ul style="list-style-type: none"> To help market players to formulate their balancing offers To increase the level of transparency in the management of TSOs 	TSO

The data included in this table could be extended with publications related to grid congestions and redispatching costs incurred by the TSOs for relieving them as well as publications related to inter-TSO cross-border balancing actions or exchanges of reserve power (volumes, prices). But: Experience shows that close to real time publication of such balancing market-details increases prices of the BM for the TSO, i.e. the consumer, through tactical bidding. Therefore, any Information in table 4 has to be checked concerning this aspect (especially the publication of the bids/offers).

⁴ The planned and actual system margin in terms of generation + import/export balance vs. load can be derived from the respective information on load, generation and interconnections.

Table 5. Required Transparency of Wholesale Market Information (in this context, no mandatory power exchanges role is intended here, i.e. it is referred only to the markets where PEX exists)⁵

Information	Publication	Timeframe	Key benefits of information	Provider
Aggregated supply and demand curves, prices and volumes of the spot market	Day D+2 for day D	Per market time unit	<ul style="list-style-type: none"> To analyse market depth To give a reference for the contracts negotiation Facilitate risk assessment 	PEX
Aggregated supply and demand curves, prices and volumes of the intra-day market	Day D+2 for day D	Per day	<ul style="list-style-type: none"> To analyse market depth To give a reference for the contracts negotiation 	PEX
Prices and volumes of the futures market	Period P-1 for period P, per illustrative product	Per day	<ul style="list-style-type: none"> To analyse market depth To give a reference for the contracts negotiation 	PEX
Prices and volumes of the OTC market	Month M+1 for month M, per illustrative product	Per month	<ul style="list-style-type: none"> To analyse market depth To give a reference for the contracts negotiation 	Brokers, PEX, TSO

⁵ The planned and actual system margin in terms of generation + import/export balance vs. load can be derived from the respective information on load, generation and interconnections.