

Mrs Fay Geitona  
EREGE  
28 rue le Titien  
1000 Bruxelles  
Belgium

27 October 2010

Dear Fay

### **Draft Comitology Guidelines on Fundamental Electricity Data Transparency**

EDF Energy welcomes the opportunity to respond to ERGEG's consultation on Draft Comitology Guidelines on Fundamental Electricity Data Transparency.

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, renewables, coal and gas-fired electricity generation, combined heat and power and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including both residential and business users.

The issue of transparency is one of the priorities of the Third package and is crucial to the development of the Internal Energy Market. EDF Energy fully supports the provision and publication of relevant information which we would see as a prerequisite for the development of a competitive European energy market. The UK energy market is a good example of what can be achieved when there is a willingness to make relevant market information transparent<sup>1</sup>. Indeed, we have been supportive of further improvements to aid UK data transparency this year and will continue to do on the basis that the benefit of such information provision exceeds the cost of doing so.

We generally support the proposals in the consultation document and our key points are as follows:

- This transparency guideline should provide momentum to and assist the timely delivery of any regional transparency initiatives already being developed. This work should not delay or postpone any complimentary regional initiatives which might be ready at an earlier stage.
- Market participants should provide information and data on a best endeavours basis. Any mis-provision or mis-use of information would be better monitored by other competition and national laws prohibiting the misuse of such information.
- We are not supportive of information disclosure related to the causes of a generator outage in so far it does not break normal stock market rules. If enacted, this measure will put undue pressure on operators to provide information, which may have little benefit to market participants. In the example of a generator tripping off the system

<sup>1</sup> <http://marketinformation.natgrid.co.uk/gas/frmPrevalingView.aspx>

the root cause of such an event may not be fully understood at the time. Notwithstanding that there should be some flexibility for users to amend initial information provision as this may be of benefit.

- For practical purposes, a single 100 MW threshold seems reasonable. However, it is important that information is provided by all classes of generation including those generators connected to distribution networks. This threshold should be kept under review or the guidelines could be developed to capture information from smaller generators perhaps on an aggregated basis.
- Provision of information from those generators connected to distribution networks is an important point due to the potentially increasing effects such generators might have on System Operator balancing. There is some evidence in the UK that supply points can at times go into export mode and it is important that the System Operator has the data to be able to understand better when this might occur.
- The value of any information to customers is inherently tied to its delivery. There are also benefits of information release for academic research which we would hope influences policy design and market efficiency. It might therefore be worth providing a European summary page or “dash board”, as well as raw data, to allow customer ease of reference.
- The implementation of the European Central Information Platform will be a costly and demanding process for all market participants. It is therefore paramount that we avoid any unnecessary set-up costs and any information published should be subject to a robust cost-benefit analysis.
- There are risks associated with inaccurate information being released to the market. In that respect, a gradual implementation as regards the quantity of information to be provided should be considered. Finally, we would not want the release of information which is either commercially confidential or of no real benefit to the market or other customers.

Our detailed responses are set out in the attachment to this letter.

Should you wish to discuss any of the issues raised in our response or have any queries please contact my colleague Rob Rome on +44 1452 653170, or myself.

Yours sincerely,

A handwritten signature in black ink, appearing to read "D. Linford".

**Denis Linford**  
**Corporate Policy and Regulation Director**

## Attachment

### Draft Comitology Guidelines on Fundamental Electricity Data Transparency

#### EDF Energy response to your questions

#### General issues

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

EDF Energy believes policy issues have been properly assessed. However we do have a number of points to make:

- The governance processes and responsibilities of market player should be further clarified.
- The growth of embedded generation might cause problems for relevance of information release if there is a wide spread adoption of these technologies and if Grid supply points export rather than import.
- The value of the information is inherently tied to its delivery. It might be worth developing a European summary page or “dash board” for ease of reference.
- It should be clear that information may not be reliable during times of publication system malfunction.
- We should not forget the benefits of information release for serious academic research which we would hope influences policy design/ effectiveness.
- We assume that Carbon Capture and Storage plant will be classified as coal plant.

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

EDF Energy estimates that at least there should be a two year implementation period, beginning at the end of the Comitology process. Timescales should also be linked to a cost-benefit analysis. In some cases a longer than two year lead time might make significant savings and if so it might be appropriate to defer implementation for a certain period (possibly up to three years). To be effective, the roll out should be unilateral across trading interconnectors.

Whilst we accept that TSOs cannot be held responsible for the accurateness of the data provided to them by market participants. However, we believe they should have a role in checking for manifest errors in the data they are publishing.

We do not believe that information provision requirements should be penal as there are competition and national laws prohibiting misuse of information. We would not want to be placed in a situation where we were required to provide scheduling information, say 6 months ahead of time. Such information would likely be of little value to the market if the

generator itself was not entirely certain about its output during that period. This is of course distinct from scheduled maintenance information which is of benefit and can be sensibly released to the market with a high degree of assurance.

**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 see a need for more firm specification of the role of each market participant. Data owners should be required to act on their best endeavours and not be liable in case of inaccurate figures or incorrect estimates, unless it can be demonstrated that they have been made deliberately.

**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?**

We would hope that TSO's already have much of this data as part of their normal work in balancing the system. The existing communication routes should be the default channel for information flows to the central platform.

**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, we consider three year data storage is a reasonable compromise.

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

Subject to a cost appraisal time units should link to balancing periods which are well understood within existing arrangements.

**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.**

We can point to a body of economic literature from Alfred Marshall in the 1890's onwards that makes the case for information as being critical for effective working from market. In fact it could easily be argued that without information there is not a fully functioning market hence the advantages of the market as a whole have to be taken into account in the cost benefit analysis. Information should not therefore be seen as an individual line item in itself for the purposes of its assessment.

In energy markets improved information may allow parties to more accurately estimate the marginal source of generation which might lead to more efficient dispatch. Information might also result in a more efficient spread of outages allowing TSOs to operate a more economic and efficient system as generators may choose to refine their availability plans to take into account when other generators are on outage.

## 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?**

EDF Energy agrees with the publication of load data suggested in the draft document. Load information ideally needs to match the timescales which the market can feasibly react to.

### **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?**

From our market participant's perspective, we don't see the need for publishing the names of unavailable consumption units. There has been a concern that very large sites can be identified by competitors in their own markets and hence gain unfair advantage if they are based outside the EU.

The definition of total load and vertical load needs further clarification.

## Transmission and interconnectors

### **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.**

It would make sense for information to be made available in as granular manner as possible, yet there has to be respect for commercially sensitive information. Information on transmission infrastructure outages should be available, enabling market participants to evaluate the extent of the outage duration as well as the impact that the outage may have on the topology of the rest of the network.

**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 believe that, for the scheme to work, a single 100 MW threshold should apply for load, generation and transmission capacity impact. However, it is important that information is provided by all classes of generation including those generators connected to distribution networks. This threshold should be kept under review or the guidelines could be developed to capture information from smaller generators on an aggregated basis.

**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.**

In general we support the principle that the timescales for information release should match the ability of the market to react to that information if possible.

We accept that information on congestion is contingent on a number of different factors with different time scales, e.g. weather, demand, location of generation and TSO dispatch policy. For any congestion area, we would consider it important to receive information on the boundary affected; the contingency being catered for; the transmission limitation level and reduction amount; the load within the area; the available generation in that area, together with other operational methods to control post-fault flows within certain timescales.

To be clear, any constraint on the system in any timescale (from long term to intra-day) that has a market impact should be fully transparent, explained and justified.

Finally, we seek clarity on the reference to 'paragraph 22 (d) and (e)'.

## Generation

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

Availability by unit is preferential and would help the market make a correct assessment of supply conditions. If availability was provided by fuel type then this information would be less useful to users and discriminate against certain generation portfolios. We agree that, as regards unplanned outages, information should be disclosed immediately if the outage is expected to last longer than one hour. As above, estimates on duration of outages should be made on a best endeavours basis.

However, we are against the disclosure of any information on the causes of the outage in so far it does not break normal stock market rules. If enacted, this measure will put undue pressure on operator's risk of providing incorrect information, without any benefit for market participants.

### **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 consider that a single 100 MW threshold to be appropriate. See our answer to Q13.

### **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 believe that generation output could be aggregated according to both technology and fuel. In the UK generation type has been used in the recent modification P243 concerning Forward Availability by Generation unit<sup>2</sup>. The generation types proposed in the Annex 1 of the draft Guideline are, from EDF Energy's perspective, the correct data items.

## 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?**

The current data items are sufficient, subject to a review as cross border trade develops. We note that in the UK the BM reports website<sup>3</sup> publishes a wide selection of information by generator/balancing unit.

<sup>2</sup> [http://www.elexon.co.uk/documents/modifications/243/p243\\_transmission\\_company\\_analysis\\_response.pdf](http://www.elexon.co.uk/documents/modifications/243/p243_transmission_company_analysis_response.pdf)

<sup>3</sup> <http://www.bmreports.com/>

**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 support ERGEG's choice to leave the transparency requirements for the wholesale market outside of these draft Guidelines. There are other initiatives being progressed to address wholesale market data.

**EDF Energy  
October 2010**