

# VDN position statement



## on ERGEG Guidelines for Good Practice on Information Management and Transparency in Electricity Markets (draft of March 15, 2006)

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### 1. Basic remarks

According to the mini fora established by the EU, the European energy market is being developed regionally. Hence, it seems reasonable to implement the transparency requirements presented in the paper in a regionally coordinated and harmonized manner. The aim should be to provide identical information per region, while the speed and extent of implementation may differ from one region to the next.

As a matter of principle, the responsibility for publication should be assigned to the information owner, who is however entitled to entrust third parties with the discharge of this obligation on his behalf.

Information that is to be considered useful for the market needs to be defined in a clear-cut manner.

Generally, CEER or ERGEG do not take a position on the binding character of forecasts and do not comment on the question of liability in case that publications of information do systematically not correspond to the real circumstances occurring later on.

In accordance with the position of EURELECTRIC, the guidelines should point out more clearly that all market participants are obliged to always ensure the best possible quality of their forecasts to the best of their knowledge and at a reasonable expenditure, but that they cannot be made liable for the correctness of information.

### 2. Detailed comments

#### Chapters 1 and 2.1

It is appropriate and important to emphasize that national legislations do not allow in certain cases the required provision of data. In all approaches of the guidelines, the necessity and the use of such regulations should be taken into consideration. Such restrictions should generally not be removed by CEER/ERGEG, or at least not without due differentiation. Unconditional rule-setting by the European internal electricity market without detailed assessment of causes and benefits of national regulations (e.g. data protection) is not expedient.

#### Chapter 2.1

Individual provision of data upon request of market participants is to be rejected as it would cause unpredictable costs, compared to a one-off publication. Furthermore, it can lead to information differences between market participants (for instance, small traders might not have the capacities for requesting certain data).

### **Chapter 2.3**

Concerning the obligations to publish information, account has to be taken of the fact that certain types of TSO data are commercially confidential since they can have effects that can drive costs or prices – we strongly reject any obligation to publish such data. Unlimited publication of company-internal information may in particular entail higher cost of capital for TSOs. The publication of too many details of the TSOs' business activities can also lead to strategic bidder behaviour of the TSOs' suppliers which may give rise to an unjustified increase in costs. See also remarks on chapter 2.6.

### **Chapter 2.4**

The general principle that "more information shall be available than less" is inconsistent with the aspect mentioned in the draft guidelines that certain data may also be detrimental to the market.

### **Chapter 2.6**

Due to their responsibility for the security of system operation in their respective control area, the TSOs have detailed technical information about generating plants available. Without an appropriate legal framework, such data cannot be published by the TSOs due to confidentiality stipulated by contract.

## **Annex**

### **Table 1, row 1**

At short notice, TSOs can only publish their *vertical* network load because dispersed generation at lower voltage networks is not known at all to them or only to a limited extent. Therefore, TSOs can only estimate the load in their respective control area.

### **Table 1, row 5**

The TSO has no information available about binding generation schedules or availabilities of power stations (e.g. Germany).

### **Table 2, row 6**

The publication of planned disconnections and forced outages does not provide any additional market-relevant knowledge. These occurrences are taken into consideration when determining the available interconnector capacity (transmission capacity on international interconnecting lines) for the following day. Concerning the current day, there is no impact on transmission capacities as they have the status "firm".

**Table 2, row 11**

Transmission capacities of individual lines available in thermal terms or the thermal limit of transformers are usually not fully utilized as due to changing Europe-wide power flows in the meshed EHV transmission network, the network security criteria to be complied with have a limiting effect. That means that it is usually not the power flow compared to the thermal capacity that has a limiting effect, but the (n-1) network security. Such relationships cannot be explained in detail to each market participant so that publications of this kind should be foregone.

**Table 3**

The obligatory information mentioned in the table can be easier made available by generation companies or by their associations. Therefore, "TSO" should be struck off in each case from the list of providers.

Anonymized and aggregate representations are desirable for publications. Individual publication of particular information is to be rejected.

**Table 3, row 5**

The publication of wind forecasts for the next day is already regulated in Germany through the provisions of Section 17, paragraph 1, clause 8 of the electricity network access regulation (Strom-Netzzugangsverordnung - StromNZV).

However, the publication of information about the actual non-intermittent generation, demanded in the draft, can not apply to wind power injections. The example mentioned by ERGEG is hard to follow as a particularly wide range of fluctuations in feed-in may occur for this type of energy.

**Table 4, row 6**

Experience gained in the control energy market shows that the publication of detailed bids in this market may also have price-increasing effects, i.e. that it can be detrimental to the market. Therefore, the required publication is to be foregone.