

## ***EREGE Public Consultation on Draft Comitology Guidelines on Fundamental Electricity Data Transparency***

### **UFE position statement**

“Union Française de l'Électricité” (UFE) is the French professional association for the electricity industry. It represents the sector's employers within the electricity and gas industries and acts in the interest of its members - generators, TSO, DSOs or electricity suppliers – in the economic and industrial fields.

In France, our members - EDF, EDF Energies Nouvelles, ERDF, GDF SUEZ, CNR, E.ON, POWEO, ENEL, UNELEG, SER, RTE, France Hydroélectricité, ELE - employ 150 000 people.

### ***General comments***

UFE welcomes and appreciates the EREGG Draft Comitology Guidelines on Fundamental Data Transparency. UFE is convinced that transparency on fundamental data is crucial to promote a level playing field in the market by reducing information asymmetry and ensuring a more efficient functioning of wholesale market competition.

Although not cited in the initial impact assessment of EREGG, the French Electricity Association has long been committed to transparency initiatives and believes it is vital for the development of the electricity market, as it improves visibility for the stakeholders and reliability of price formation.

From November 2006, UFE has released forecasted generation infrastructure availability aggregated by consistent generation technologies through the TSO (RTE) website, in line with the 2006 EREGG Guidelines of Good Practices on Information Management and Transparency.

The initiative is supported by all main generators (EDF, GDF Suez, CNR, EON and POWEO), totaling more than 90% of French electricity production. Others producers are set to join in the future.

It has improved, following the CWE transparency report published by the regulators in 2007 and under the scrutiny of the French Regulator (CRE), with the introduction of a unit per unit approach in 2010 and is about to achieve the high standard of transparency through the release of unplanned unavailability close to real time.

UFE considers that the four following issues have to be pointed out:

- Legally binding rules are necessary to complement existing private initiatives or local market sets of rules which failed to procure a common level of transparency ;
- Harmonization of binding rules at a European level would create a level playing field and support market integration ;
- Consistent disclosure of generation, load, and transmission data requires clarifications as regards aggregated information, threshold levels, frequency of data disclosure ;
- Ambitious target of EREGG may require to schedule different implementation milestones and to give priority to the most relevant data.

The scope of this position is limited to general issues and generation data reporting issues.

## 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?**

Concerning the **governance** of a central platform, UFE considers that the draft should mention an effective involvement of stakeholders (among others, generators) affected by transparency reporting obligations. This will ensure that all relevant perspectives are taken into account.

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

UFE believes that the timescale needed to implement the requirements included in the guidelines is closely related to content clarity, to completeness and granularity of data required (e.g. level of aggregation, real time update) and to responsibilities assigned to stakeholders involved.

UFE considers that the implementation of the comitology guideline will be complex and progressive. UFE considers that a phase-in period should be granted to allow investments, tests and full application. At this stage, we believe that the overall implementation could need at least 2 years but should not exceed 3 years following the final approval of provisions on the matter in order to also take into account difficulties for smaller players.

### **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?**

UFE notices that the guideline does not provide any information concerning responsibility matters nor concerning the consequences in case of lack or failure in publications. UFE stresses the need to define such responsibilities.

There are at least five areas that can be identified: *owning*, *providing*, *collecting*, *publishing* and *archiving/storing* data.

Thus, within the framework proposed, for example generators will be 'owners' of generation data and 'providers' of this data to the relevant TSO. TSOs will be responsible both as 'owners' and 'collectors' of aggregated load and generation and transmission/interconnection data as well as 'providers' to a central platform of all data, including generation data received from generators. The central platform will be then responsible for 'publishing' and 'archiving/storing' all data received within the time limits to be defined in the guidelines. We underline that obligations of different parties involved (consumers, TSOs, generators) must be defined as much as possible, precisely to avoid shortcomings and misinterpretations as it is for the transparency requirements under the current congestion management guidelines.

As far as generation data are concerned, UFE believes that responsibility of generation companies should be clarified in detail. In particular the proposal to promote a single and common platform across Europe will affect the principle that "*the owner of the data is responsible for its publication*". Since we support the implementation of a single platform we think that it would have no more sense duplicate obligations in regard to the same data. Therefore we suggest that the statement should be revised in "*the owner of the data is responsible for providing required information on a best effort basis either to the relevant TSO or the central platform for its publication*". This responsibility should not result in additional liabilities towards the market participants.

Standard agreements TSO-Generators (or Central platform-Generators) would be helpful to identify clear responsibilities of parties involved and also to clarify the implementation processes.

As regard ex-ante information, data should be provided by the 'owner' on a best effort basis, and should not create any liabilities towards the market participants. UFE does not believe that a system of penalties would be needed except in case of data manipulation or prolonged incompliance to transparency provisions which should fall under the market surveillance investigation of the Regulator.

In line with its current rules, UFE considers that publication of ex-ante information should be made as soon as achievable once the information is reliable, consistent, consolidated and communicated within the flows of information requested by the TSO to balance the system.

UFE acknowledges that "undue delay and immediately after the information" or "changes in already provided information" notions are not defined in the guideline and wishes to participate to any discussion with the stakeholders on this important matter.

UFE also points out that:

- Hourly information for planned unavailability foreseen is relevant for the next days; beyond, daily or weekly information is preferable.
- The timeframe for the ex-ante planned unavailability unit per unit should be required for at least the next 3 months. UFE suggests that beyond 3 months, aggregated planned availability per production type format may be asked until the next 3 rolling years
- Data to be provided for the next year or for the three following years (as defined in 4.3.2.1. and 4.3.2.2) should refer to the 1<sup>st</sup> of January as the easiest specific reference.
- The indicator required by the guidelines (in 4.3.2.3) should focus on the ex-ante forecast of available capacity (MW), weekly (not annually) for the 3 following years aggregated by generation type, and be updated every month.
- In addition, information regarding events (i.e. total outage, partial unavailability and return to normal) should be disclosed close to real time, and updates of events ending date (day/hour) should be done on a daily basis.

Finally, acknowledging the complexity of managing a large amount of data and several interfaces, UFE strongly recommends that definition and process be clearly and carefully defined.

#### ***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?***

Local TSO should be the exclusive collector of the data and the unique entity in charge of sending the data to the central platform.

Concerning solar and wind generation:

- Generators should remain responsible for providing forecast/actual output but could also give TSO/DSO a mandate to provide existing generation information.
- Given the increasing importance of intermittent generation in price setting on markets, a fall back rule could request TSO/DSO (at least for wind generation) to provide aggregated data on forecast and real time outputs.

Concerning the timescales and time references, UFE recommends to expand the ex-ante generation forecast of at least wind generation, and possibly small hydro and solar power not only for the next day (as mentioned in 4.3.2.10.) but also for the next following days (peak and off-peak averages) under conditions to be specified with the stakeholders.

**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?**

UFE believes that storage costs are negligible in comparison of all the costs incurred by the development/maintenance and forces associated with the implementation of a central platform.

A larger free availability period of data storage could be useful for market parties, in particular for new incumbents.

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

The overall goal should be to harmonize the market time units between all Member-States. UFE recommends to define market time units consistent with the data to be reported.

**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.**

Assessing benefits will remain qualitative; UFE is confident that higher transparency standard will bring better visibility of the physical conditions of the electricity markets. This better assessment of the physical conditions should lower risk premium, price volatility and bid/ask spreads as well as increase the liquidity of the European electricity markets.

ERGEG should estimate the costs incurred and should not restrict its assessment to the costs borne by the TSOs/DSOs as costs incurred by the generators and consumers will not be negligible.

Regulators should bear the responsibility to assess the risk of implicit collusion brought by transparency, with regard to the level of detail (aggregation level and anonymity level) of the requested data.

ERGEG should try to make explicit the costs/benefits for the final customers which will have finally to bear these costs/benefits.

## **Generation**

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

The unavailability should be related to generation units (for units above 100 MW) and not plants and be given a clear and strictly technical definition.

And for those information required for units below 100 MW, information shall be made available by generation types, on an aggregated basis.

**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 10 MW threshold is far too low according to the availability of the metered information. The global threshold of the consultation of 100 MW per unit is the correct level, in order to be consistent with all the generation transparency information to publish.

Nevertheless, the 100 MW threshold for scheduled generation data (4.3.2.6.) is not relevant. Estimated information on scheduled generation should relate to all units (without any threshold) and should be published in an aggregated form.

Concerning the ex-post information on the filling rate of the water reservoir and hydro storage plants (4.3.2.7.) UFE has serious doubts about the relevance of the 15% threshold mentioned for this publication requirement. UFE also questions the requested information on filling rate of water reservoir and storage plants expressed in energy volumes which would request assessment methods that cannot be harmonized.

**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 generation types proposed in the Annex 1 are the proper ones.

UFE would appreciate to have more explanations on definitions of generation types.

UFE suggests to adopt international definitions and to group them as below:

- Concerning hydro generation :
  - o Run of river and poundage hydro plants
  - o Reservoir and pumped storage hydro plants.
- Concerning coal:
  - o Hard coal = traditional coal

Moreover, UFE suggests to add combined heat and power into the generation types list.