

# European Harmonised Auction Rules – explicit long term auctions

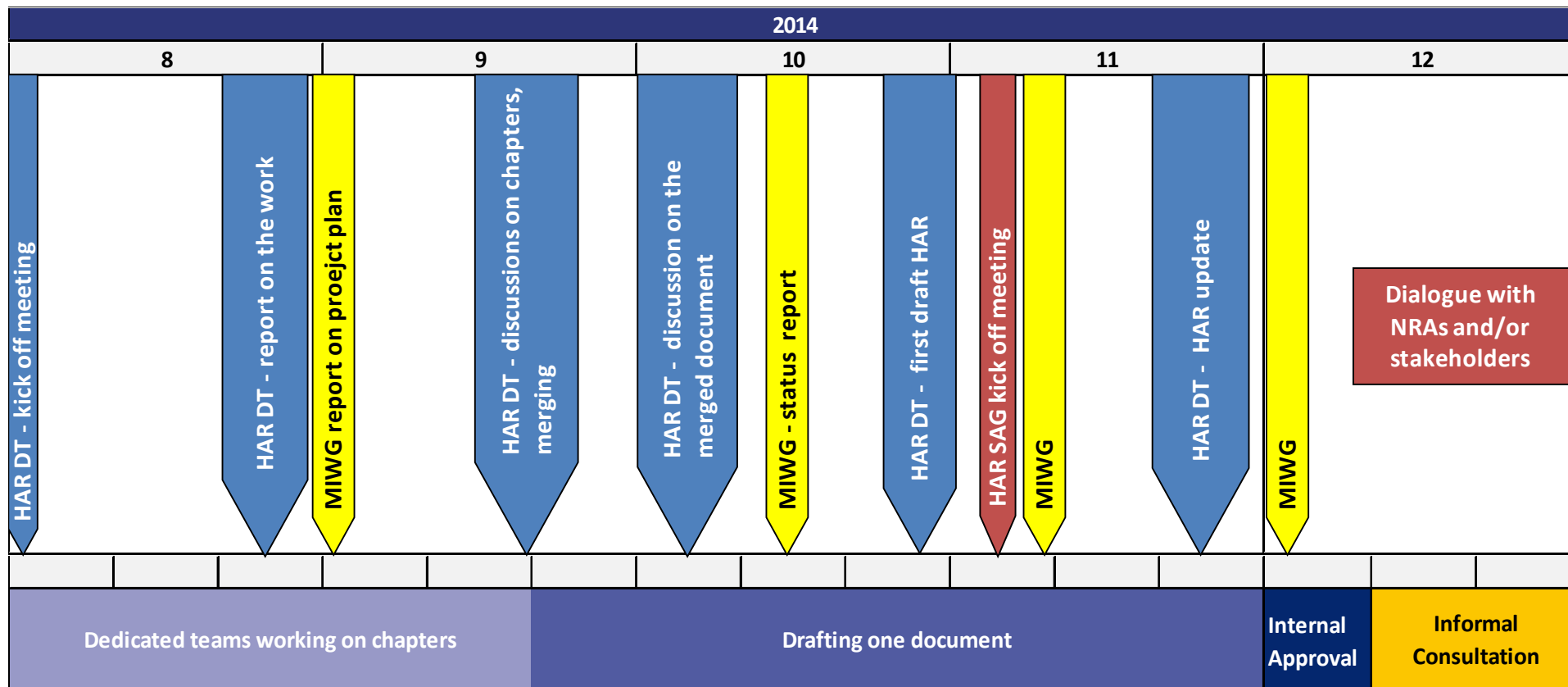
update

EMD WG

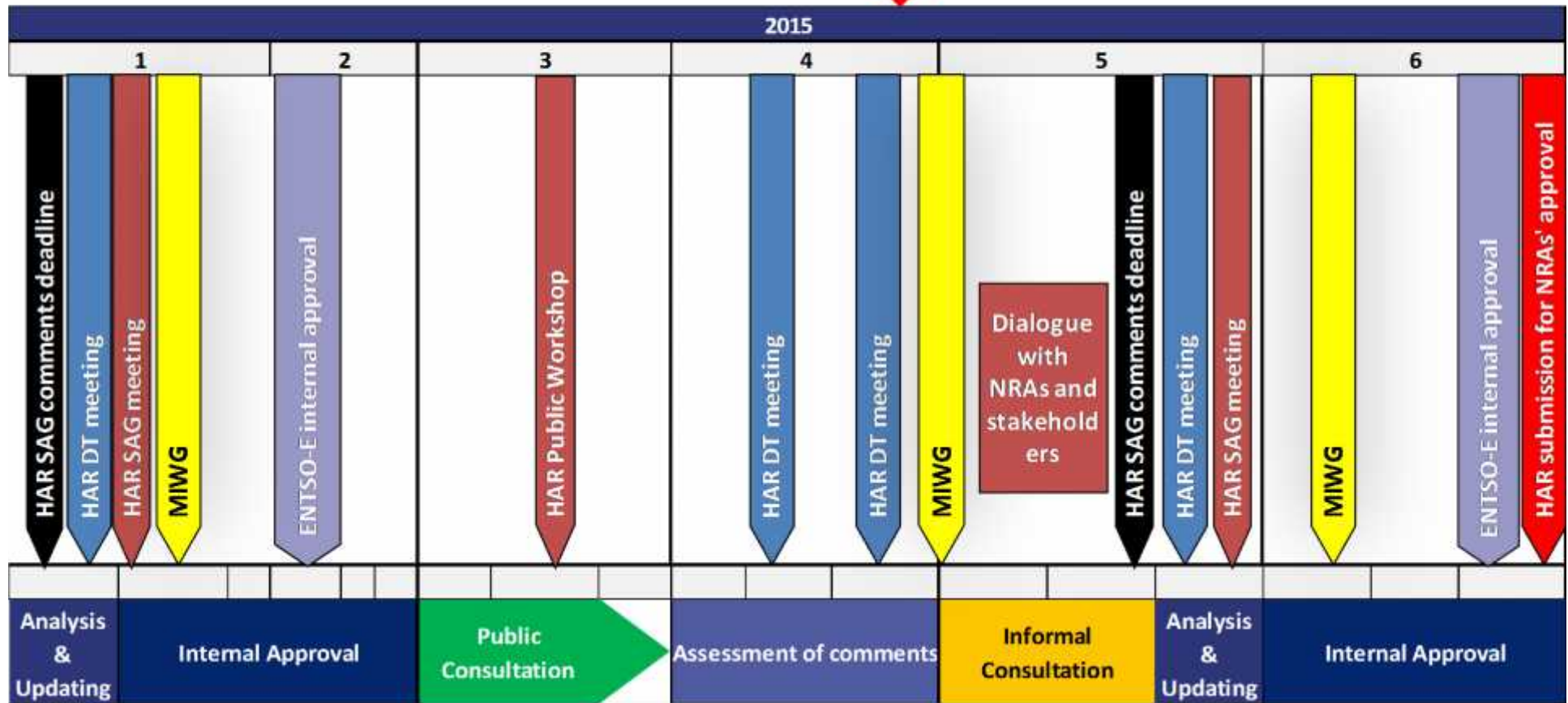
27 April 2015

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# EU HAR project plan I



# EU HAR project plan II



# EU HAR public consultation I

2 March – 31  
March (4 weeks  
according to NC  
FCA)

Via ENTSO-E  
new  
consultation tool

Single point for  
consultation of  
31 borders  
within the EU

HAR main body  
developed by  
ENTSO-E while  
the annexes by  
relevant TSOs

## EU HAR public consultation II

A large, light-orange arrow pointing to the right, containing four rounded rectangular boxes with white text. The boxes are arranged in a horizontal sequence from left to right, representing a process flow.

Open questions also published by regions and by borders

Comments, questions to be assessed by relevant parties  
ENTSO-E or relevant TSOs

Result to be published in due time

HAR SAG will continue to meet

# EU HAR Public Workshop



# EU HAR Public Consultation comments



# HAR SAG - Stakeholder Advisory Group

- to create awareness of the EU HAR amongst stakeholders
- to provide information to stakeholders and receive constructive feedback related to EU HAR matters
- to gather useful input for the implementation of other early implementation projects of NC FCA

EFET	ECOS	ESTELA
EURELECTRIC	Statkraft	IFIEC



## CWE – Annex 2

- ▶ CWE specific annex regarding LT firmness deadline
- ▶ CWE consultation regarding FTR option implementation - Response on the following questions was collected:
  - What is your position regarding an implementation of FTR Options according to EU HAR for implementation on all CWE borders as soon as possible, but not earlier than for the product period of 2016?
  - What is your position regarding an implementation of FTR Options according to EU HAR on a subset of CWE bidding zone borders as soon as possible, but not earlier than for the product period of 2016?
  - What is your position of implementation FTR Options on border?
    - BE-NL
    - NL-DE
    - FR-BE
    - FR-DE

## CWE – Annex 2

- CWE specific annex regarding LT firmness deadline
  - no specific respons
- CWE consultation regarding FTR option implementation
  - Feedback / response of ONLY 4 market parties
  - Not all stakeholders responded – ONLY market parties whose options are limited reacted!
    - Producers / Traders :
      - Producers with generators in several CWE countries : NO VALUE ADDED
      - Traders : NOT WITHOUT fulfillment of certain conditions
    - Consumers : no response

- |  |
|--|
| <p>1. Before introduction of FTR Options an analysis of their potential impact and risks on market players and consequently on the market liquidity and access should be performed (cost-benefit analysis) and wide consultation of market players. <b>FTR Options should only be introduced if this analysis is positive NOT from 2016.</b></p>   |
| <p>2. Before introduction of FTR Options <b>clarification of financial regulation is needed (MIFID II is not stable yet)</b></p>   |
| <p>3. Recommendation <b>to be ready</b> but only implement if price formation issues are really encountered. The risk of an increase of nominations of long-term transmission rights due to higher uncertainties on DA market outcomes is believed to be overestimated. Market participant's behaviour should be <b>monitored</b> in first period of FB MC final implementation.</p>   |
| <p>4. Introduction of FTR Options not justified by actual needs of market players. Preference for PTR with UIOSI since it allows to manage the risk associated with physical delivery of power. FTRs cannot help avoiding market risks if extreme prices are reached and so a pro-rata approach for market bids is implemented. Final customers could see their deliveries not satisfied due to this curtailment, whereas a nomination of PTRs ensures the delivery. <b>Flexibility</b> granted to market players is <b>more important</b> than gains in <b>efficiency</b> of capacity allocation.</p> |
| <p>5. Additional condition for implementation of FTR Options : <b>all the concerned borders</b> are ready</p>  |

## Dutch Borders – Annex 8

- Consultation topics
  - Auction calendar publication
  - Second Yearly Auction
  - Auction dates
- Dutch Border specific annex
  - no respons

## Update on Shadow Allocation rules - MRC

DA MRC shadow auction rules ( at least CWE, DE-DK, northern Italian borders, FR-ES) & DA explicit (IT-GR-and Swiss borders)

- Mid April – finalisation the first version of the rules
- May/June – public consultation to be organised by CASC.EU (target date 8/5/2015)
- June/July – completion of shadow auction rules for approval
- July – NRAs' approval