



IGCC REGULAR REPORT ON SOCIAL WELFARE

Q1 / 2018

IGCC-Settlement – Basic Principle

(Methodology applied from 01/02/2016)

Opportunity Prices
for Imbalance
Netting

without IGCC

$$\begin{aligned} & \text{SCE}_{\text{before IGCC}} \text{ [MWh]} \\ & \times \\ & \text{SCE price}_{\text{before IGCC}} \\ & \text{ [€/MWh]} \end{aligned}$$

with IGCC

$$\begin{aligned} & \text{IGCC exchange} \\ & \text{SCE}_{\text{after IGCC}} \text{ [MWh]} \\ & \times \\ & \text{SCE price}_{\text{after IGCC}} \text{ [€/MWh]} \end{aligned}$$

Opportunity Price =
Opportunity Value/IGCC Volume

$$\frac{[(\text{SCE}_{\text{before IGCC}} * \text{SCE price}_{\text{before IGCC}}) - (\text{SCE}_{\text{after IGCC}} * \text{SCE price}_{\text{after IGCC}})]}{\text{IGCC exchange}}$$

IGCC Initial
Settlement Price

- IGCC Initial Settlement Price (P_{IGCC}): **Energy weighted** ($E_{\text{Imp},i}$ and $E_{\text{Exp},i}$) **average** of the **opportunity prices** ($C_{\text{Imp},i}$ and $C_{\text{Exp},i}$)

- Symmetric price for IGCC imports and exports

$$P_{\text{IGCC}} = \frac{\sum_{i=1}^n (C_{\text{Imp},i} E_{\text{Imp},i} + C_{\text{Exp},i} E_{\text{Exp},i})}{\sum_{i=1}^n (E_{\text{Imp},i} + E_{\text{Exp},i})}$$

IGCC Settlement
Ex-post Adjustment

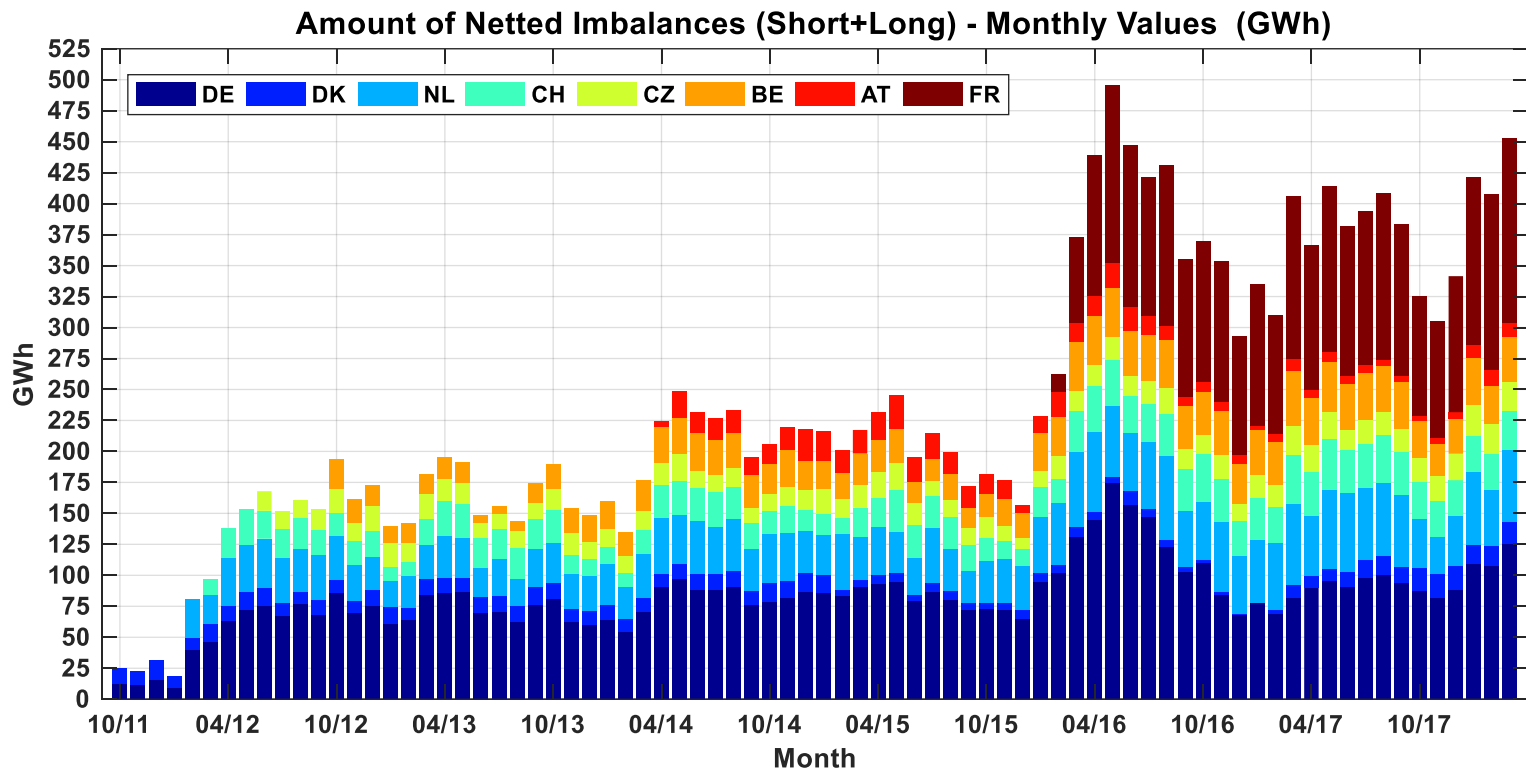
- In case of negative individual benefits for one or more IGCC Members but positive overall benefit of the IGCC, an ex-post adjustment of settlement is performed in order to guarantee TSO neutrality.
- IGCC adjusted settlement prices (P'_{IGCC}) which may vary from member to member depending on their benefit before the adjustment

Calculation of
Cost Reduction

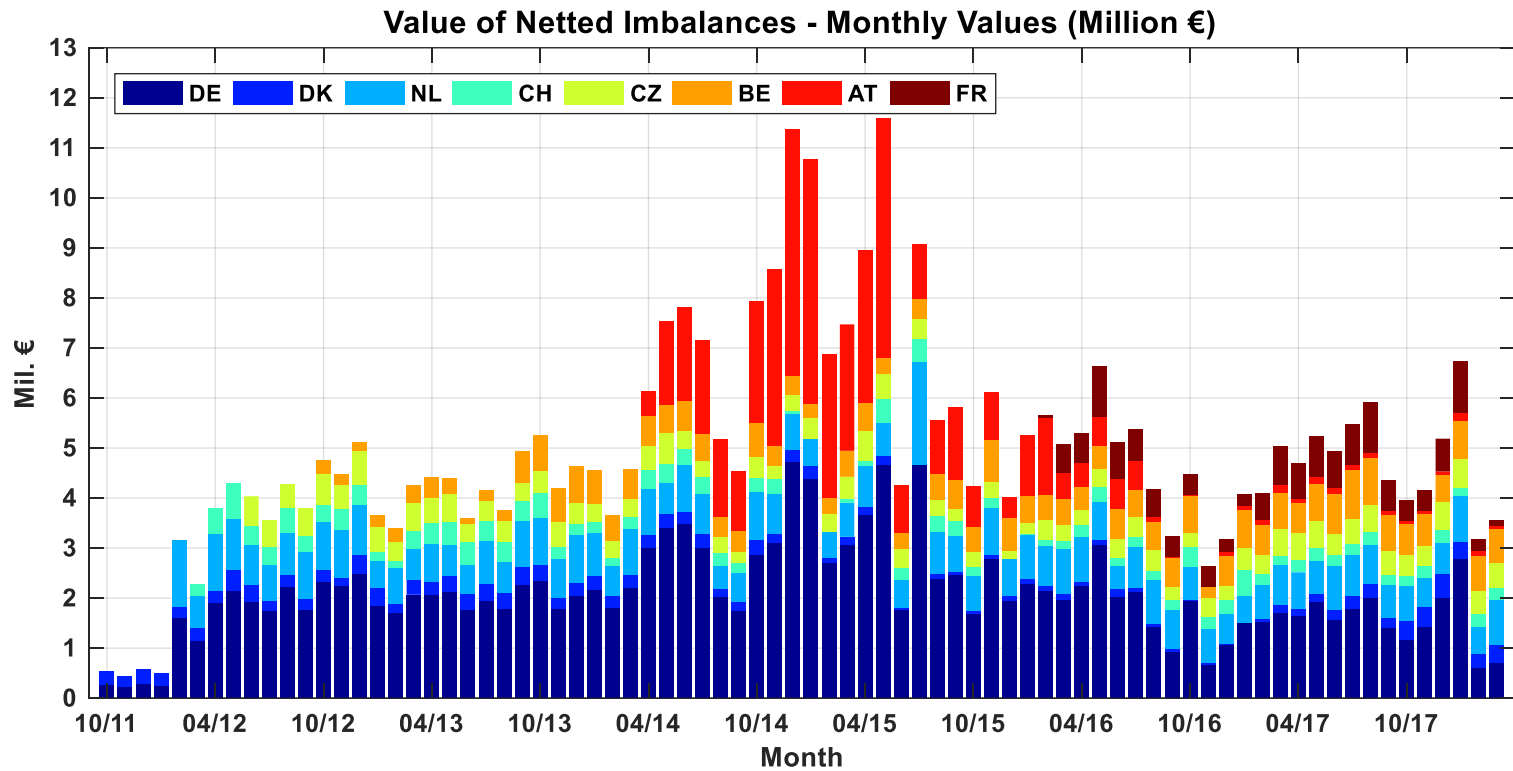
- Cost reduction for a participant is driven by the spread between the opportunity price and the IGCC adjusted settlement price

$$B'_i = \sum_{t=1}^T (C_{\text{Imp},i,t} - P'_{\text{IGCC},i,t}) \cdot E_{\text{Imp},i,t} + \sum_{t=1}^T (P'_{\text{IGCC},i,t} - C_{\text{Exp},i,t}) \cdot E_{\text{Exp},i,t}$$

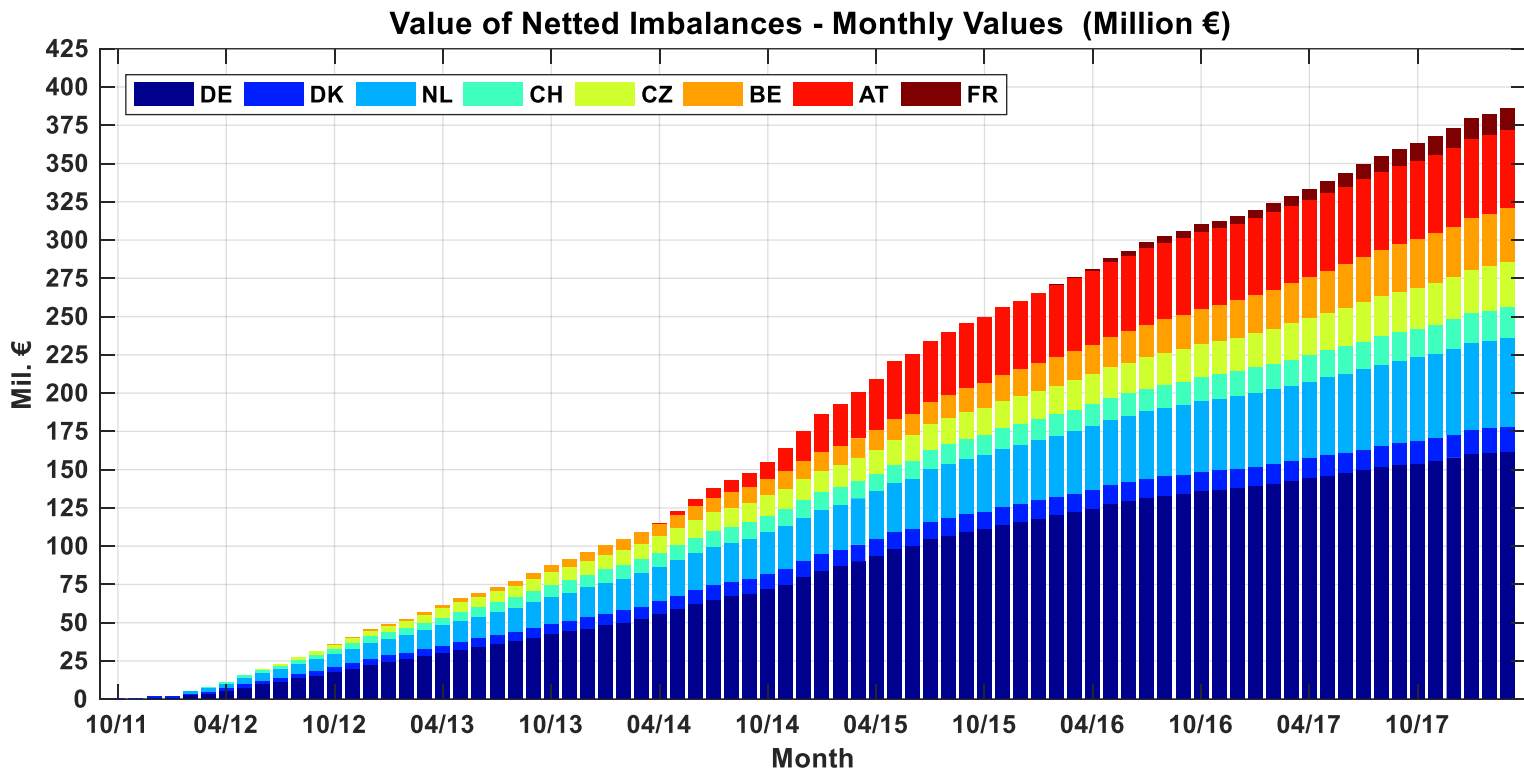
Monthly Volumes of Netted Imbalances



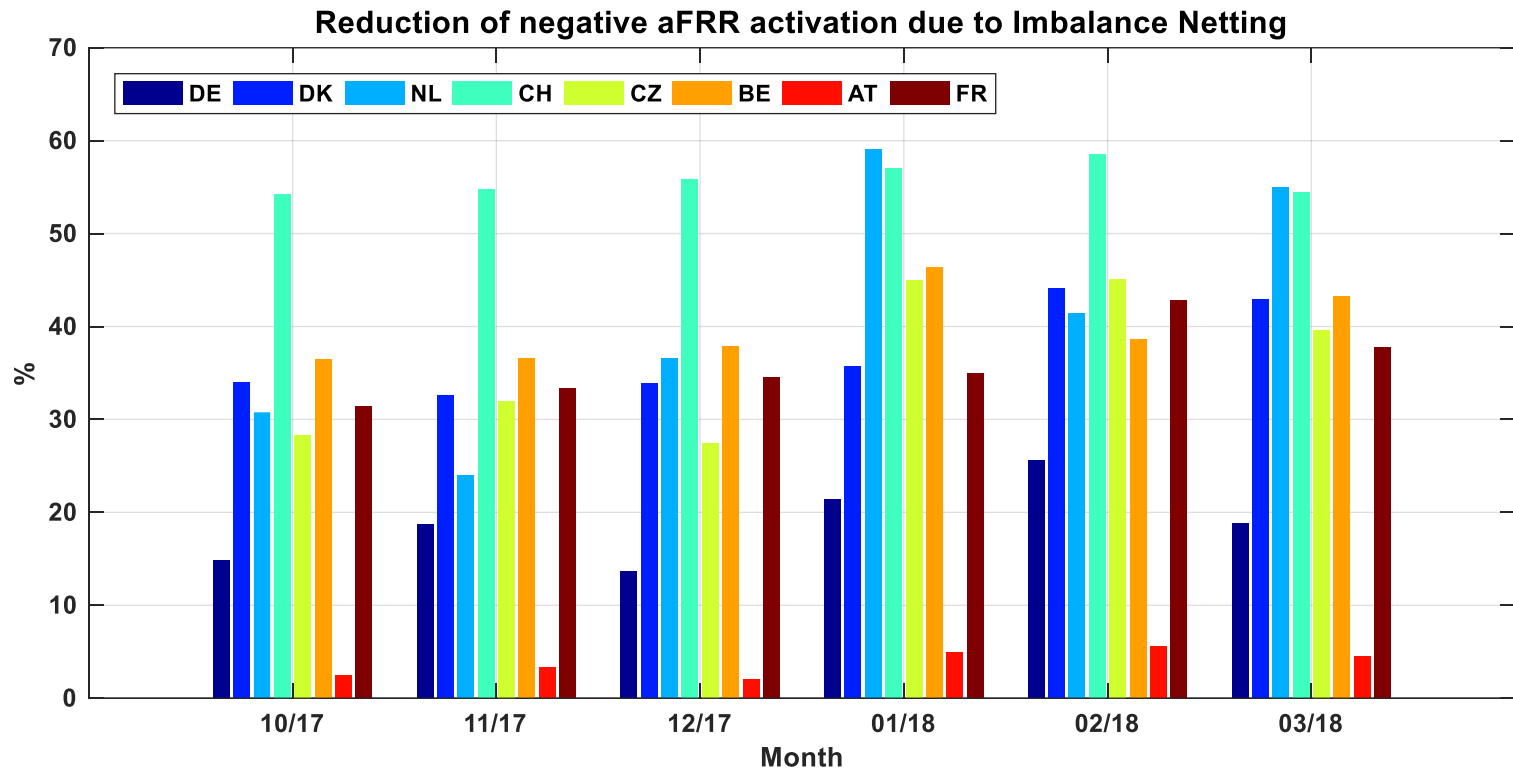
Monthly Value of Netted Imbalances



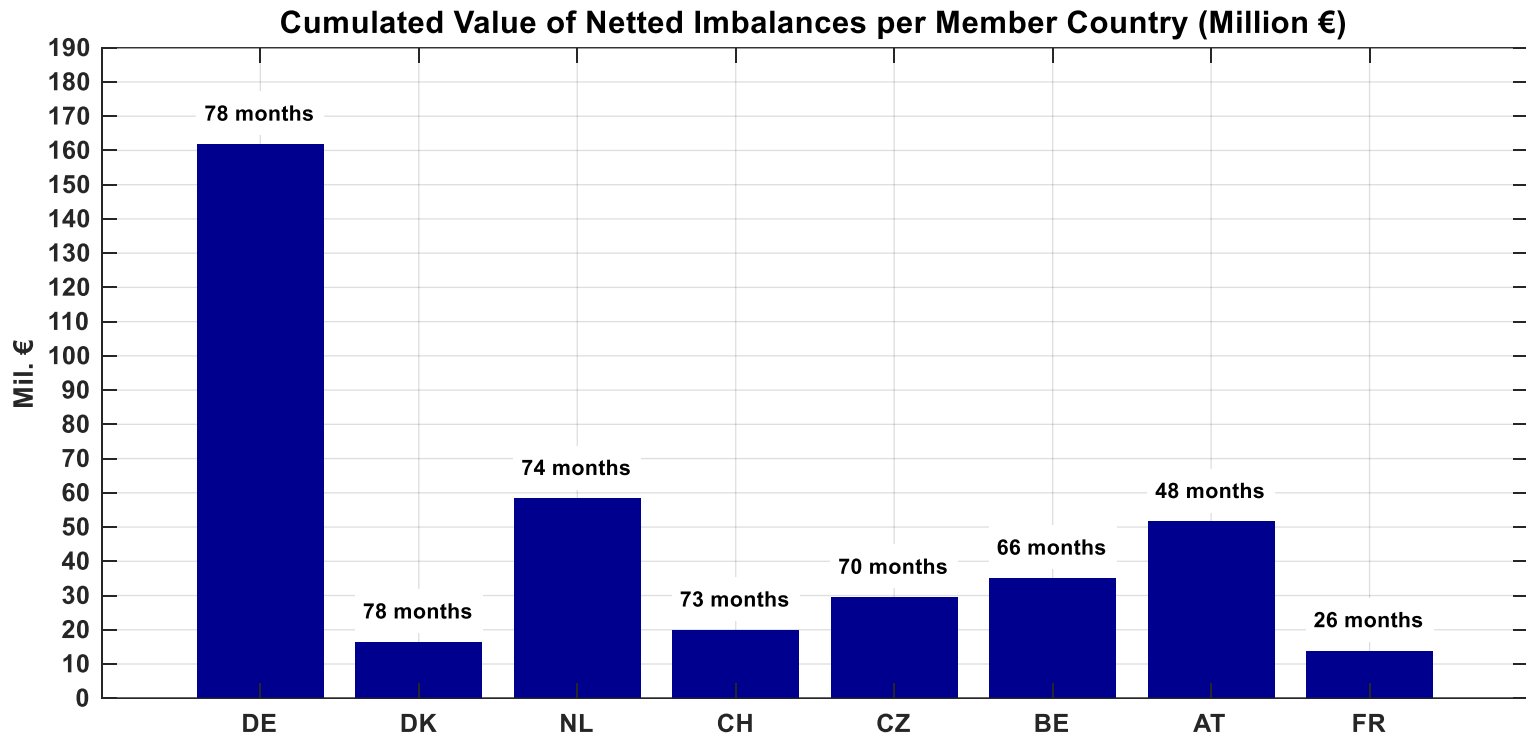
Value of Netted Imbalances - Development



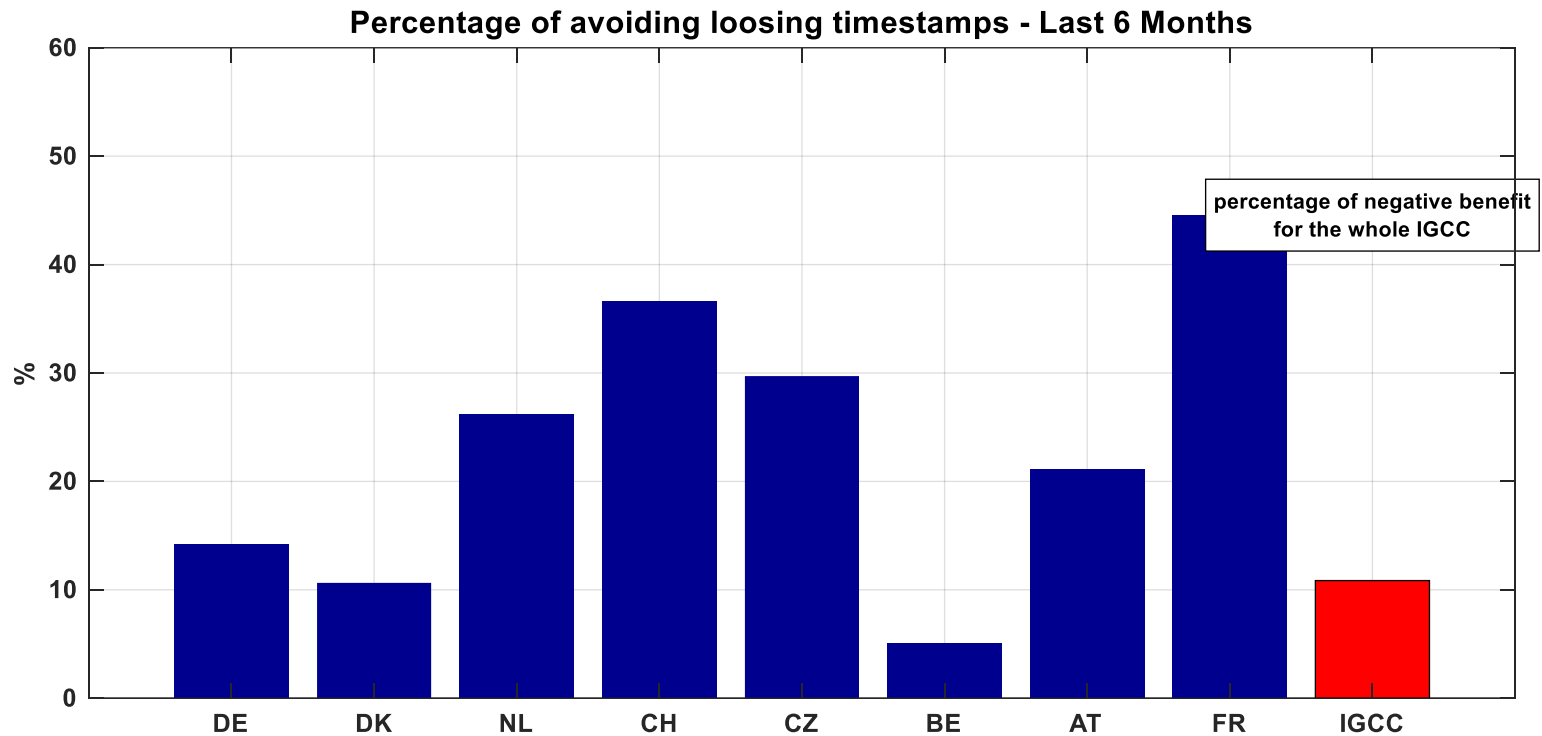
Monthly Percentage of Avoided neg. aFRR-Activations (last 6 Months)



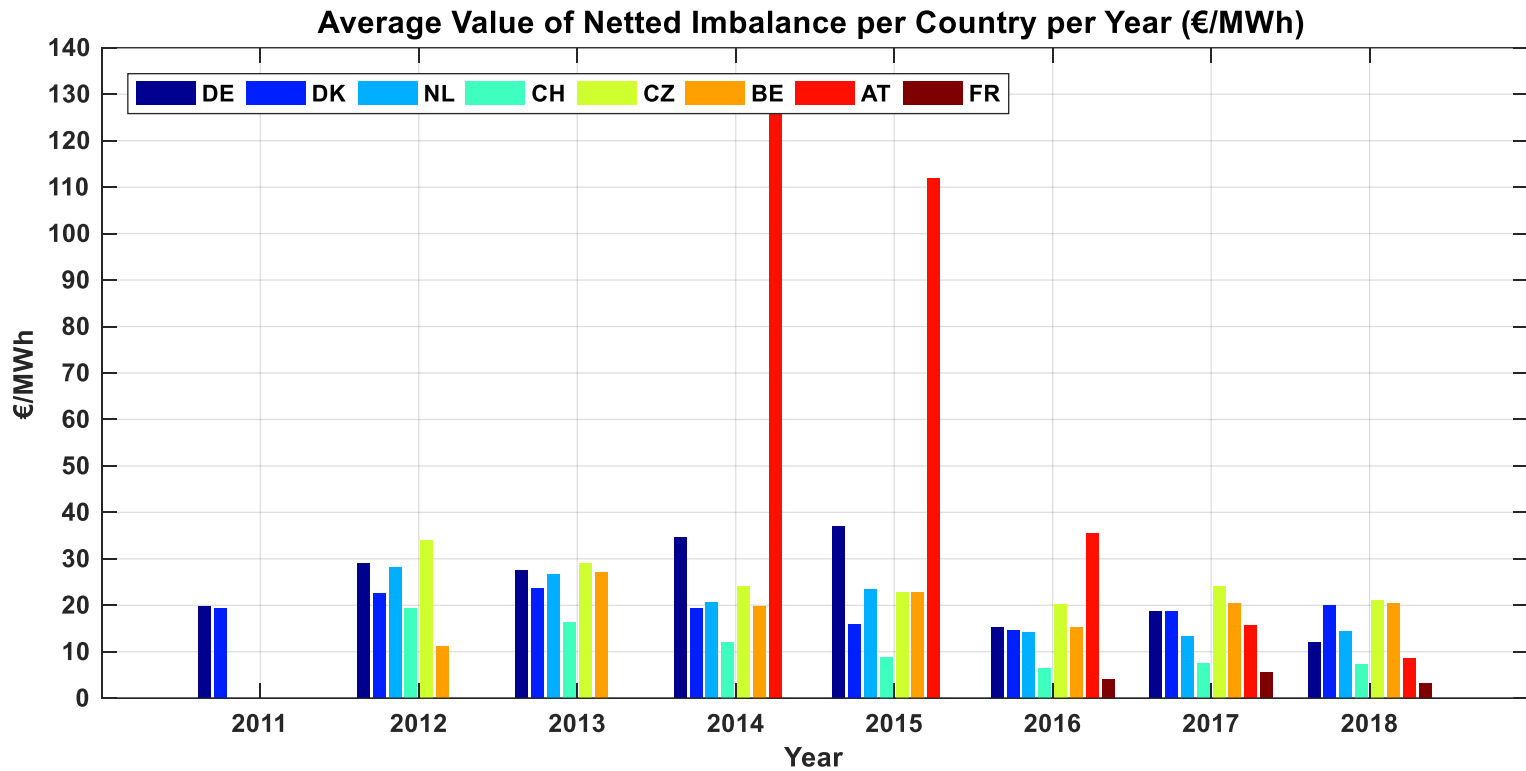
Cumulated Value of Avoided Activations



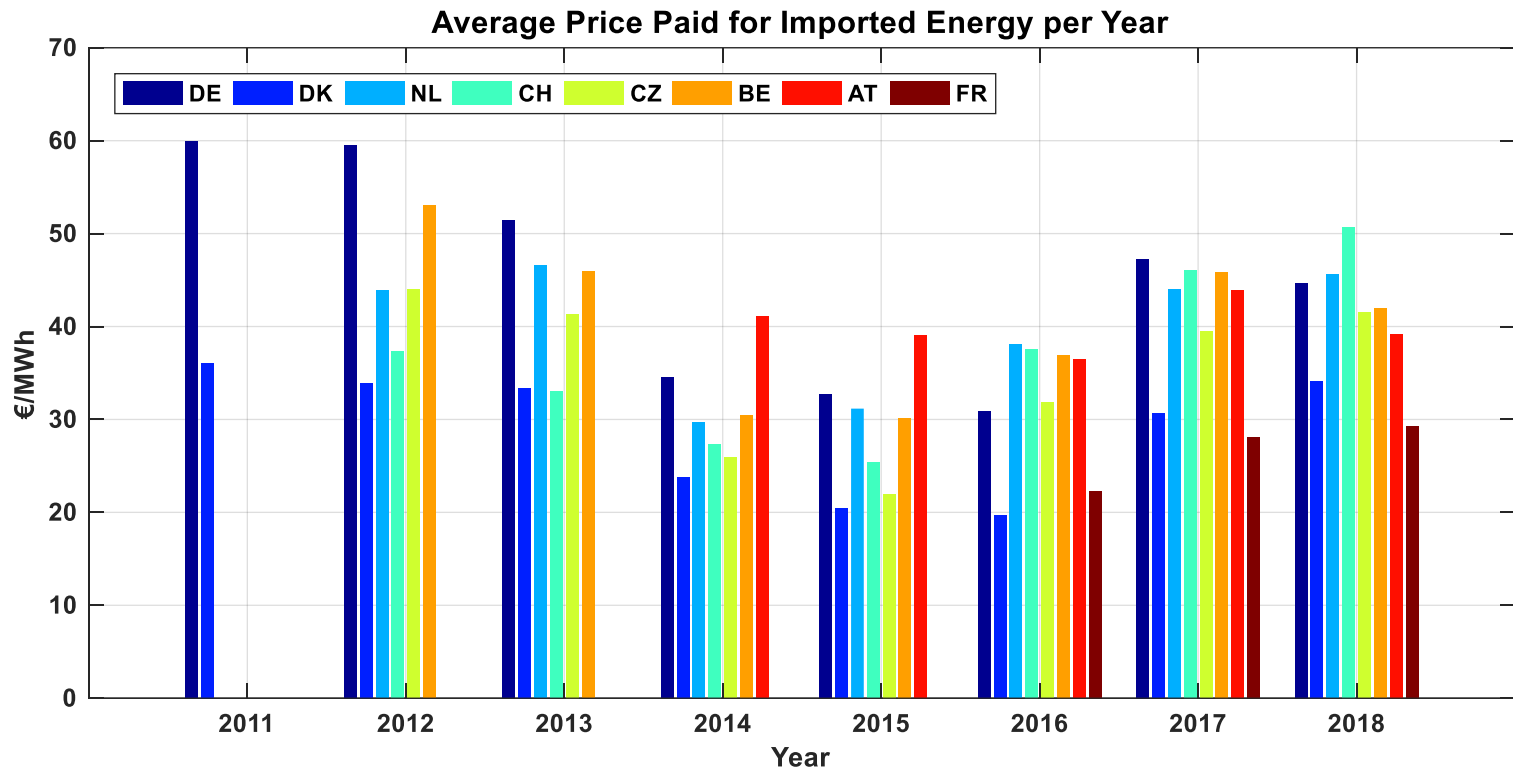
Percentage of avoiding losing timestamps due to the second step of settlement method



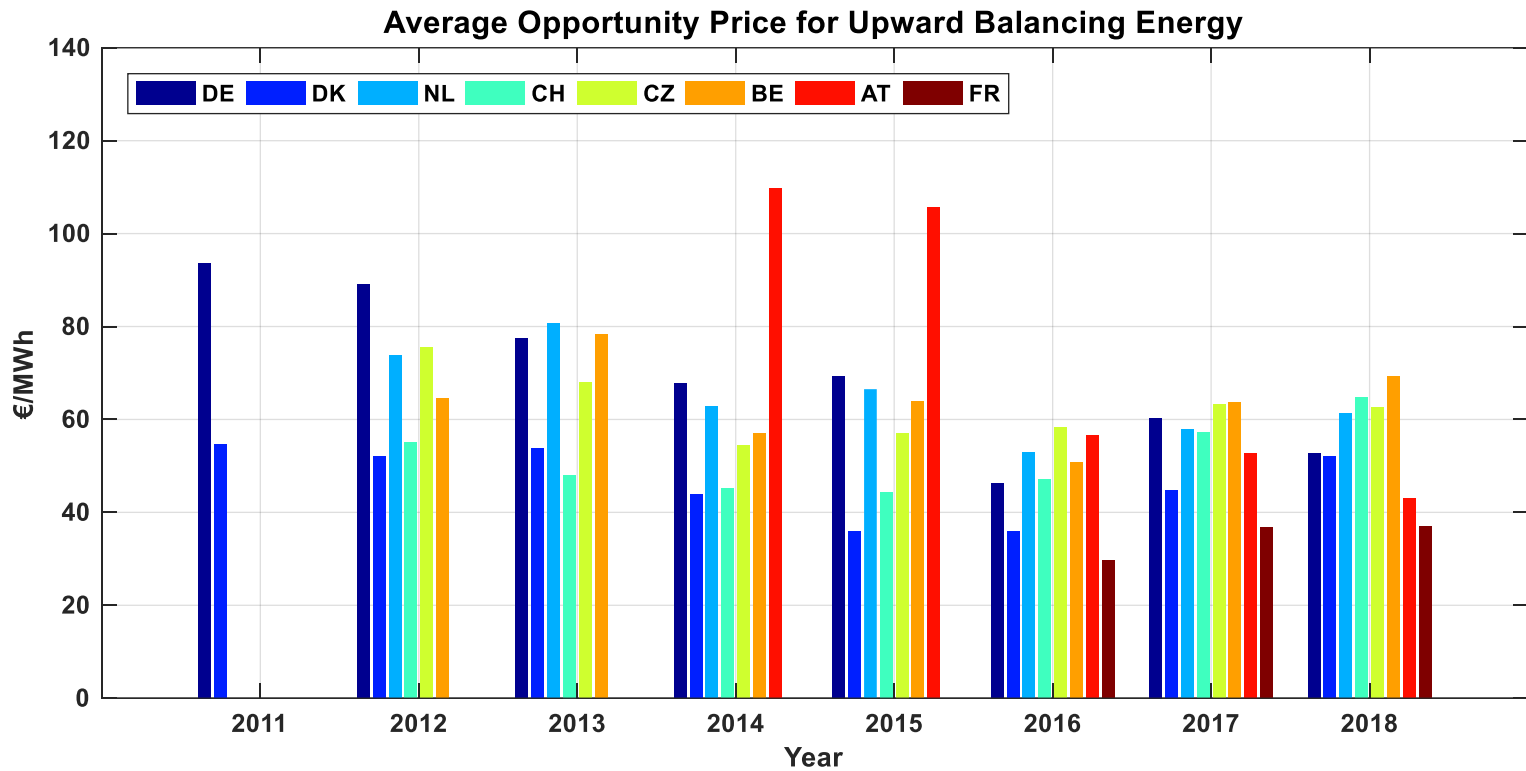
Average Value of Netted Imbalance per Country per Year in €/MWh



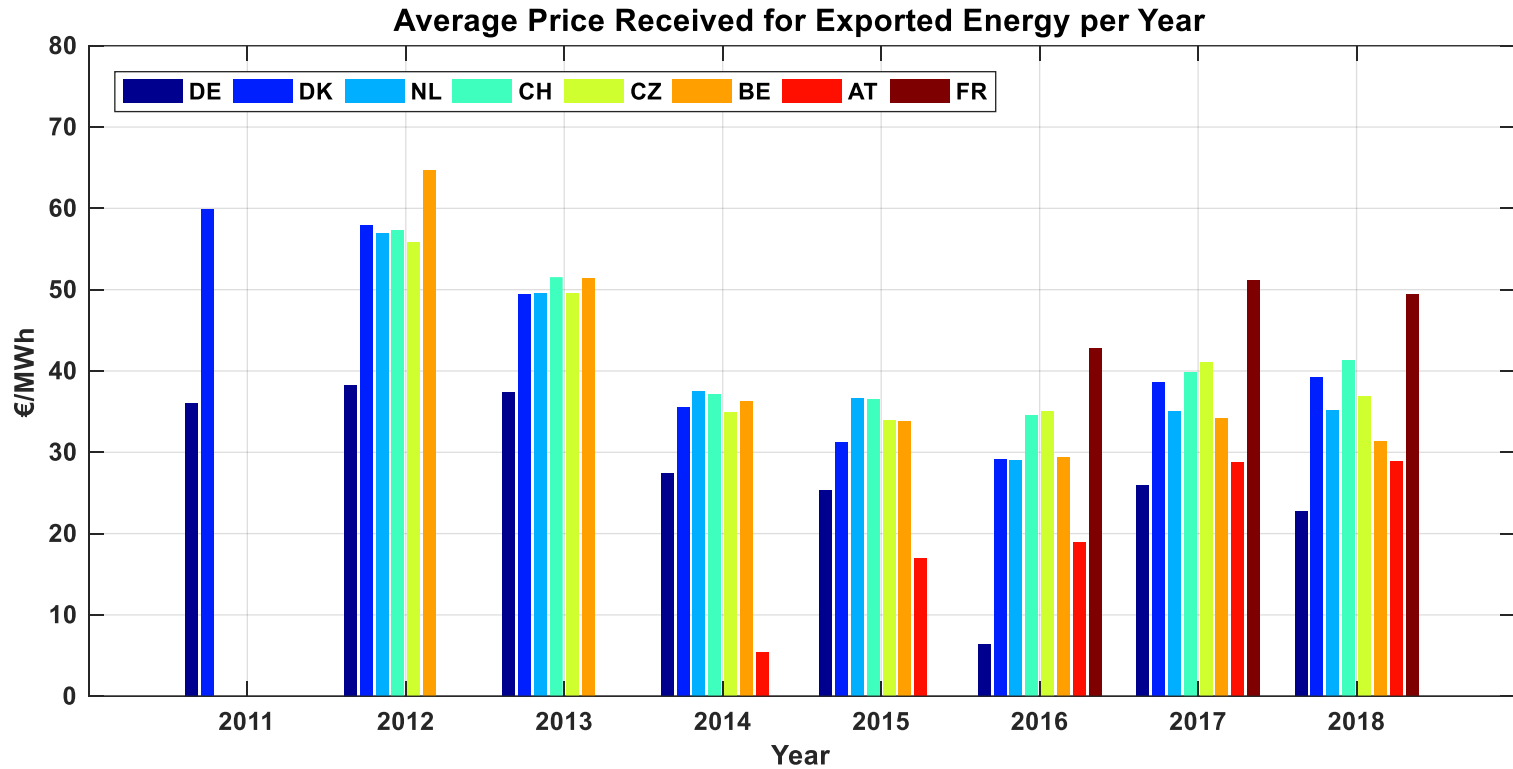
Average Price Paid for Imported Energy per Year



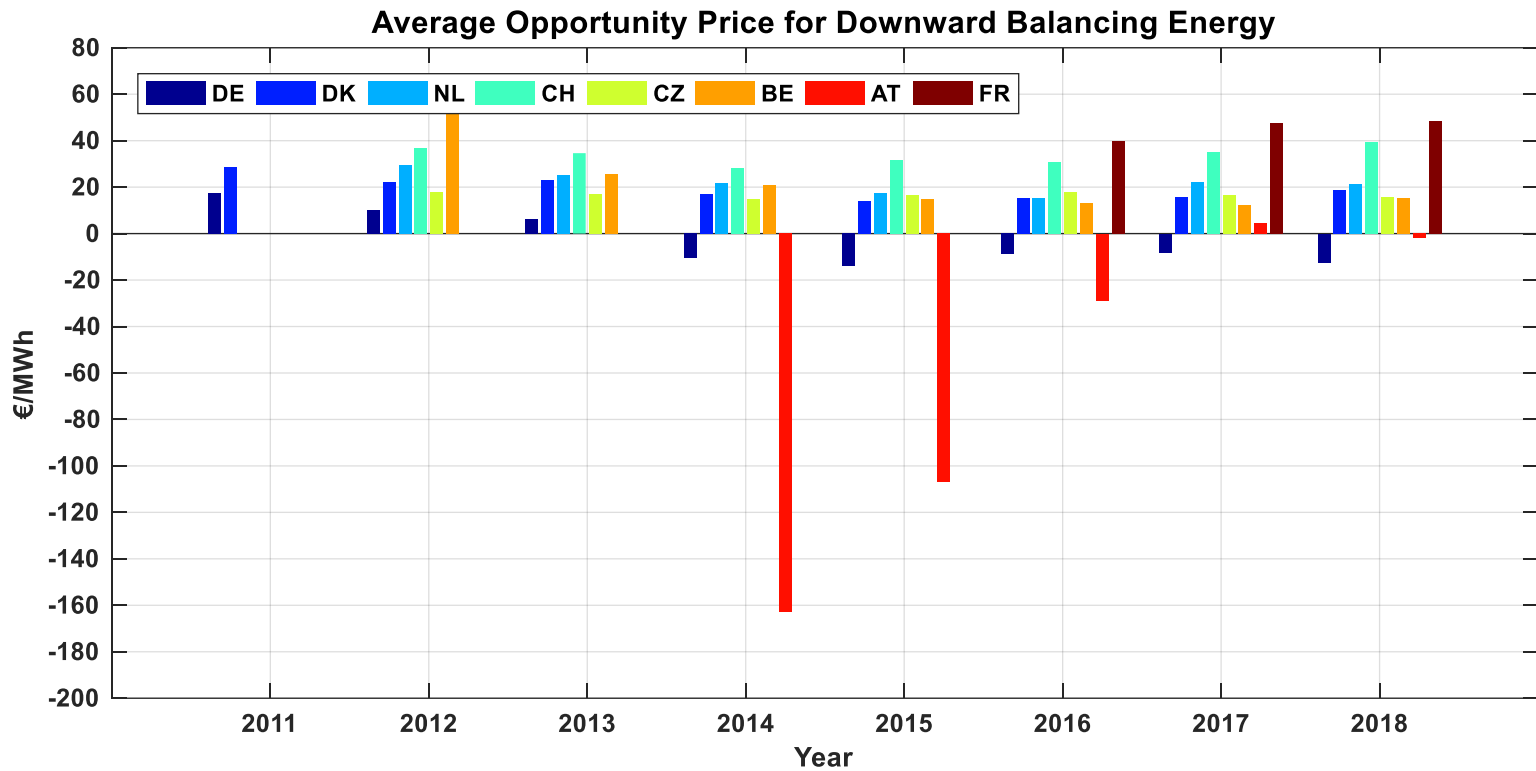
Average Opportunity Price for Upward Balancing Energy



Average Price Received for Exported Energy per Year



Average Opportunity Price for Downward Balancing Energy



Appendix - Mathematical formulas of figures

— Amount of netted imbalances (volume):

$$E_{short+long,i} = E_{exp,i} + E_{Imp,i}$$

— Amount of netted imbalances (value):

$$R_{IGCC} = \sum_{i=1}^n (C_{Imp,i} - C'_{IGCC}) \cdot E_{Imp,i} + \sum_{i=1}^n (C'_{IGCC} - C_{Exp,i}) \cdot E_{Exp,i}$$

Appendix - Mathematical formulas of figures

- **Local value of the avoided activated positive balancing energy (imported by IGCC):**

$$LV_{paid,i} = \sum_{i=1}^n C_{Imp,i} \cdot E_{Imp,i}$$

- **Local value (received) of the avoided activated negative balancing energy (exported to IGCC):**

$$LV_{received,i} = \sum_{i=1}^n C_{Exp,i} \cdot E_{Exp,i}$$

Appendix - Mathematical formulas of figures

— Average price paid for imported energy:

$$C_{paid,i} = \frac{\sum_{i=1}^n C_{IGCC,i} \cdot E_{Imp,i}}{\sum_{i=1}^n E_{Imp,i}}$$

— Average price received for exported energy:

$$C_{received,i} = \frac{\sum_{i=1}^n C_{IGCC,i} \cdot E_{Exp,i}}{\sum_{i=1}^n E_{Exp,i}}$$

Appendix - Mathematical formulas of figures

— Average opportunity prices upward:

$$OP_{upward,i} = \frac{\sum_{i=1}^n C_{Imp,i} \cdot E_{Imp,i}}{\sum_{i=1}^n E_{Imp,i}}$$

— Average opportunity prices downward:

$$OP_{downward,i} = \frac{\sum_{i=1}^n C_{Exp,i} \cdot E_{Exp,i}}{\sum_{i=1}^n E_{Exp,i}}$$