

Activation purpose :

consequences of activations/non activations for non balancing purpose

Market European Stakeholder Committee

6th September 2017, Brussels

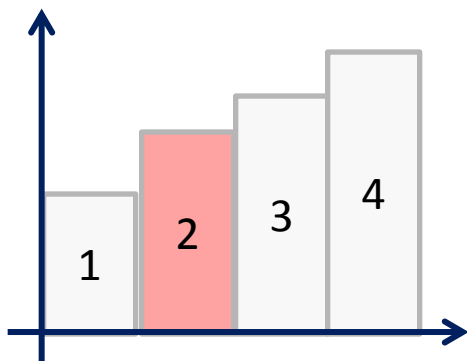
Activation purpose: Further alignment is necessary!

Balancing Guideline foresees that, for reasons other than balancing – such as internal **congestions or operational security issues**, in the money bids can be rejected (and out of the money bids are then possibly activated)

Key principles to be respected

Example

- Imbalance need = 30 MW
- Logical behaviour = activate bid 1, 2, 3
- Issue: bid # 2 creates congestion or any other « grid security issue »
- TSO activates bid 1, 3, 4



- Principle 1: activation for other reasons than balancing should not influence imbalance settlement price (art 32.2) → Imbalance Price = P3
- Principle 2: a clear management of costs should be in place
 - The cost of activating bid 4 instead of bid 2 shall fall under « congestion » or « other »
 - BRP in imbalance pay or receive P3
- Principle 3: no discriminatory access to the market should exist
 - BSP 2 must be compensated for its loss of opportunity
 - This is crucial for having a clear signal for congestions or other operational issues

Activation purpose: much more than a small technical issue!

- Preliminary discussions on this topic started at the BSG. Consultation on activation purpose foreseen in October 18.
- EURELECTRIC advocates for an in depth reflexion **before** the upcoming consultation
- Given the important impacts this can have on BSPs and the fact that it covers more than balancing, **Eurelectric considers that the MESC is the right place for this**

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