



Integration of electricity market rules: are we on track to achieve an Internal Electricity Market?

13th MESC – Item 2.3 – NEMO Committee

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Achievements & next steps

	Achievements	Next steps	Date
Methodologies (art.9 CACM)	<ul style="list-style-type: none"> ✓ MCO Plan ✓ DA & ID Product methodology ✓ Back up methodology ✓ Min-Max price methodology 	<ul style="list-style-type: none"> • Algorithm methodology escalated to ACER 	?
Contractual framework	<ul style="list-style-type: none"> ✓ Interim NEMOs Cooperation Agreement (INCA) ✓ ID contracts (ANIDOA, IDOA) signature 	<ul style="list-style-type: none"> • All NEMO Cooperation Agreement (ANCA) • DA contracts: <ul style="list-style-type: none"> • All Nemo Day-ahead Operational Agreement (ANDOA) • Day Ahead Operational Agreement (DAOA, between NEMOs and TSOs) signature • Joint NEMO-TSO governance (CACM art 10) – High Level design 	12/18
Procedures	<ul style="list-style-type: none"> ✓ First draft of DA & ID algorithm change control procedure ✓ First draft of DA & ID algorithm monitoring procedures 	<ul style="list-style-type: none"> • Agreement with TSOs on algorithm change control procedures and algorithm monitoring procedures for DA & ID 	12/18
Go-Live		<ul style="list-style-type: none"> • SIDC go-live (1st wave) 	06/18
		<ul style="list-style-type: none"> • MNA technical readiness 	09/18
		<ul style="list-style-type: none"> • SIDC go-live (2nd wave) 	Q2/19
		<ul style="list-style-type: none"> • SDAC go-live 	?
R&D	<ul style="list-style-type: none"> ✓ Preliminary scope for DA Algorithm R&D finalized 	<ul style="list-style-type: none"> • ACER approval of methodologies needed to proceed 	

Single DA Coupling

– *Interim phase from Regional DA coupling to SDAC:*

- interim co-existence between existing Regional DA coupling projects (MRC vs 4MMC) and CACM provisions (DAOA & IDOA contracts);
- definition of an agreed timeline for SDAC operational go-live.
- NEMOs encourage TSOs to finalize capacity calculation methodology asap or to provide ATCs, in order to couple 4M and MRC asap

Single DA Coupling

– *Algorithm R&D activity:*

- R&D needed to ensure non-discriminatory access to existing NEMO/TSO products/functionalities and support of new ones (e.g. adequate scalability);
- TSO involvement in R&D cost sharing needed, as R&D strongly influenced by TSO requirements .

- **Single ID Coupling**

- *XBID extension:*

- 2nd (and 3rd) go-live wave needs to be secured in order to extend XBID solution in whole EU

- *R&D activity:*

- improve collaboration with IT provider, in order to reach efficiently R&D milestones and timings.

- *Capacity pricing:*

- NRAs' decisions on ID capacity pricing methodology needed to finalize SIDC implementation.

- **Competition related issues**

- *Non harmonized cost-recovery schemes:*

- National sharing keys between NEMOs and TSOs;
 - National TSO contribution to NEMO costs;
 - National costs sharing in Multi-NEMO configurations;
 - Cost sharing among MS in case of Multi-country NEMOs.



Problems for competitive NEMOS
(Cost exposure, Level playfield)



Impact on project management



Need for NRAs coordination

– *Regulated (MCO) vs non-regulated NEMO activities:*

- Conflict of interests originating from management of activities on the border between non-regulated NEMOs' activities and NEMOs' regulated MCO function. Live examples:
 - Local decoupling scenarios
 - Signature of operational agreements
 - Use of products
- Frequent request for guidance to EC, ACER, NRAs => need for «ad hoc regulation» of at least high level principles for managing these activities;

Lack of clear rules on Competition affects NEMOs' Cooperation on MCO Function



Impact on NEMO cooperation in developing the MCO function



Need for unbundling of regulated and non-regulated NEMOs activities.