

Coordinated Balancing Areas

Imbalance Netting

BSG, 23 September 2015



Reliable Sustainable Connected

Formation of Coordinated Balancing Areas (CoBAs)



- The Guideline on EB requires the establishment of CoBA's for the exchange of Balancing energy or operating the Imbalance Netting Process.
- Not later than 6 months after the Guideline enters into force all TSOs shall jointly develop of proposal for the Coordinated Balancing Areas for RR, mFRR and aFRR
- The formation of CoBA was identified as one of the early implementation projects in the Terms of Reference of the Balancing Stakeholder Group
 - First draft proposal shall be presented in November 2015

Planning draft proposal CoBAs, year 2015



March - April

- Scoping work
- Survey on relevant information

April - May

- Analyse results of survey
- Preliminary conclusions
- Identify strategic questions

May - June

- Develop First CoBA scenarios
- Identification & proposed answer on strategic questions
- Discussion WGAS and MC: ask for guidance

July - August

- Develop CoBA scenarios
- Validation by WGAS & MC

September

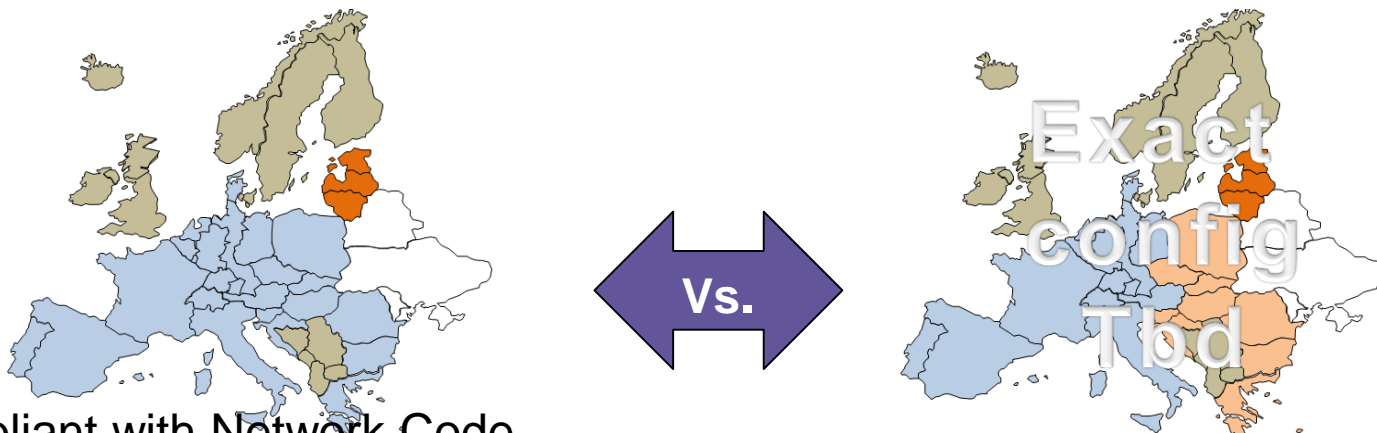
- Start informal discussions with ACER
- Expectations management stakeholders

Oct - Nov

- Validation by WGAS (14/10) & MC (29/10)
- First draft proposal to Balancing Stakeholder Group (Nov. 2015)

Imbalance netting

- Current working assumption: 1 Single CoBA for Synchronous Area CE



- Compliant with Network Code
- Full flexibility for aFRR configuration (CoBA netting >>> CoBA aFRR)
- key learning from existing initiatives
 - No fundamental market design harmonization issues (e.g. no standard product)
 - Easy implementation even in case of differences in national legal and balancing frameworks
 - But complex to agree on a governance structure and on a decision making process
 - Difficulties to agree upon settlement of Netted Imbalances
- The choice of configuration of multiple CoBAs is likely to be more complex than expected settlement and governance issues

Interdependency CoBA work

Final CoBA configuration for RR, mFRR & aFRR: more complex task is dependent on other market design choices still to be made

First observations:

- Potential different CoBA scenarios for RR are limited
- Potential different CoBA scenarios for Baltic, Nordic, WE regions are limited
- Different scenarios possible East Europe & no starting point from existing initiatives

