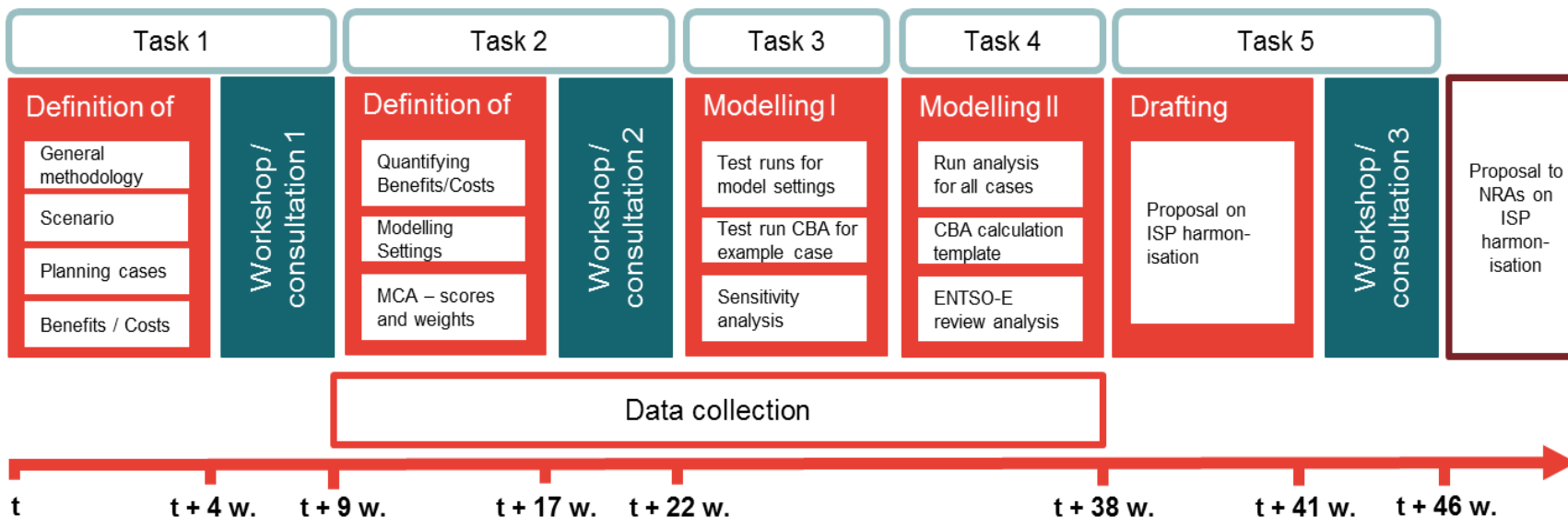


# Balancing Stakeholder Group

Cost Benefit Analysis Imbalance Settlement Period

23 September 2015

# CBA ISP – possible timeframe



- Possible timeframe for ISP CBA (source: report on ISP CBA methodology)
- Dead line of CBA ISP given by ACER is the comitology process of NC Balancing (expected for summer 2016)

## Planning cases for CBA ISP:

4 planning cases are described in the CBA ISP methodology report to analyse the effects as well as the costs and benefits of ISP changes

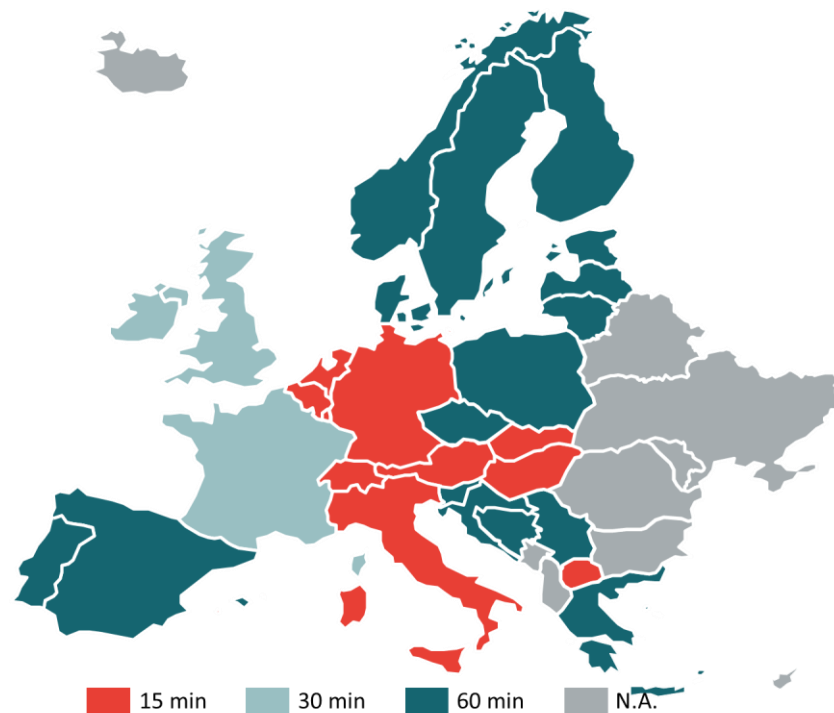
### **Harmonization of ISPs throughout Europe**

- 1) All TSOs implement ISP = 15 min
- 2) All TSOs implement ISP = 5 min

### **Reduction of ISP to max 30 min**

*(Framework Guideline requirement)*

- 3) TSOs with ISP > 30 min reduce ISP to 15 or 30 min
- 4) TSOs with ISP > 30 min reduce ISP to 15 or 30 min while taking into account the ISP of the neighbouring TSO



Source: ENTSO-E WGAS, Survey on Ancillary services procurement, Balancing market design 2014, Jan 2015. Also TSO websites



### Calculation of costs and benefits

- for the calculation of costs and benefits the relevant data need to be identified and collected
- ENTSO-E started to draft a first list of needed data, based on the CBA ISP methodology report, for further discussions within ENTSO-E as well as together with stakeholders
- Next to TSOs also stakeholders have to collect, prepare and deliver data
  - To be able to get a CBA result before comitology ends, all data need to be defined, collected, prepared and delivered before the end of the year
- The following slides show the first draft of the data requirement list, divided into:
  - Type of cost or benefit
  - Relevant stakeholder that has to deliver the data
  - Explanation on relevant data in more detail

# CBA ISP costs



Type of cost	Possible stakeholders	Desired data for generic data set
<b>Scheduling and settlement systems</b>	<b>TSO, DSO, BRP, BSP, PX</b>	Cost/BRP to change systems(EUR)
		Cost/BRP to modify systems (EUR)
<b>Trading platforms</b>	<b>TSO, PX</b>	Cost/Trading platform to change system (EUR)
		Cost/Trading platform for modification (EUR)
<b>Metering systems</b>	<b>TSO, DSO, BRP, BSP</b>	Cost/Equipment to change (EUR)
		Cost/Equipment to modify, recalibrate, remotely (EUR)
		Cost/Equipment to modify, recalibrate, locally (EUR)
		Cost/Equipment for saving and storing historical metering data (EUR)
		Number of equipment to change
		Number of equipment to modify
<b>Documentation changes</b>	<b>TSO, DSO, BRP, BSP, PX</b>	Cost for developing or changing consumption profiles
		Cost/arrangement or documentation change cost/country

*First draft of a data requirement list – further discussions within ENTSO-E as well as with BSG needed*

# CBA ISP costs



Type of cost	Possible stakeholders	Desired data for generic data set
<b>Scheduling and settlement systems</b>	<b>TSO, DSO, BRP, BSP, PX</b>	Cost/BRP to change systems(EUR)
<b>Costs for forecasting and shifting energy balancing responsibility</b>	<b>TSO, BRP, BSP</b>	Cost (EUR)
<b>Costs of trading and data handling</b>	<b>TSO, DSO, BRP, BSP, PX</b>	Cost (EUR)
<b>Costs for changes in energy markets</b>	<b>TSO, DSO, BRP, BSP, PX</b>	Cost (EUR)
<b>On-going cash cost</b>	<b>TSO, DSO, BRP, BSP, PX</b>	Cost (EUR)
<b>Non-cash cost</b>	<b>TSO, DSO, BRP, BSP, PX</b>	Uncertainty during transition
		Loss of liquidity
		Wider access to balancing markets
		Possible higher costs for certain market entities

*First draft of a data requirement list – further discussions within ENTSO-E as well as with BSG needed*

# CBA ISP Benefits



Type of benefit	Category of calculation	Possible stakeholders	Desired data for generic data set
Reduced imbalance	Balancing volume calculation	TSO	reduction in Balancing capacity volume
	Balancing volume calculation		reduction in Balancing energy volume
Reduced imbalance	Balancing volume calculation	DSO, BRP	reduced costs for imbalances
	non-cost		Efficient Outcomes
Reduced imbalance	market modelling	BSP	new market entries (e.g. RES)
	non-cost		ecological issue (Co2 reduction)
Reduced imbalance	market modelling	PX	higher trading volumes; higher income from trading fees
Balancing markets	market modelling	TSO, DSO, BRP, BSP	Benefits (EUR)
Improved system frequency quality	Balancing volume calculation	TSO	reduction in needed Balancing Energy volumes

*First draft of a data requirement list – further discussions within ENTSO-E as well as with BSG needed*

# CBA ISP Benefits



Type of benefit	Category of calculation	Possible stakeholders	Desired data for generic data set
Sharper price signals in balancing markets and changed investment signals	market modelling	BRP, BSP	benefit data based on invest costs for plants (business cases for such plants)
Allow efficient generation to be dispatched	market modelling	BRP, BSP	market price changes
Improved secondary market outcomes	market modelling	BRP	market price changes
Uniformity of information	non-cost	TSO, DSO, BRP, BSP, PX	market information systems
Non-cash benefits: Other harmonisation objectives	non-cost		timing of when the TSOs begin to accept bids and offers from the Common Merit Order in the Co-ordinated Balancing Area
	non-cost		harmonisation of imbalance settlement pricing
Impact on day-ahead and intraday markets	market modelling	BRP, PX	impact on liquidity on DA and ID markets
			new products (depending on ISP)

First draft of a data requirement list – further discussions within ENTSO-E as well as with BSG needed