

# aFRR IF proposal

Presentation of the all NRAs Shadow opinion

EBSG meeting 3rd Sept 2018

# Overview: planning

## **Draft proposal**

- between 26 April and 30 June 2018: TSOs public consultation on draft proposal
- 20/21 June: Stakeholder workshop
- 28 June: All NRAs shadow opinion sent to the TSOs

## **Next steps**

- Preparation towards the final proposal
- Final proposal 18<sup>th</sup> December at the latest

# General issues

- NRAs aimed to align with mFRR proposal
- NRAs acknowledge that proposal is written in legal format
- Important to be consistent with other proposal when finalising
- Ensure textual and legal quality: Consistency in wording, clarity, no vagueness
- Clarify the scope: which TSOs have obligation to implement or use aFRR platform

# Definitions

- Ensure consistent use of definitions
- Social welfare:
  - Is not the appropriate term for aFRR
  - Widely used concepts are economic surplus, this would be equal to cost efficiency in aFRR context

# Design and functions (1/2)

- **High level design**

- Reflect all design choices: mention all functions, inputs, outputs etc, describe them in the respective articles
- NRAs assume that simultaneous counter-activations should not occur inside uncongested areas. NRAs ask TSOs to be very specific on when and how counter-activations can occur and be minimised
- Consequences and alternatives of 'control demand'

- **Interaction with IN platform**

- NRAs want to understand clearly understand how the functions work, before and after possible merging with IN platform
- As merging is included in IF, future design should then also be part of the current IF.

# Design and functions (2/2)

- **Functions**

- Discuss including determination of remaining CZC as function. Pros and cons of such a setup compared to the current approach where this capacity is the result of processes required by CACM, SO GL and EB GL.
- Congestion rent: outputs of platform consistent with art. 30 and art. 50 EBGL proposals

- **Roadmap**

- NRAs want to see clear process with high level overview of all goals, deliverables, etc with expected timeline

# Standard product and bids

- **Full activation time (FAT)**
  - TSOs propose to harmonise the FAT to 5 min by 2025
  - In the meantime, not harmonized, but capped to 7.5 min for cross-border exchanges
  - Issue of early harmonisation vs. high procurement costs
  - NRAs ask TSOs to explore further possibilities to limit procurement costs
  - 2025 seems too far in the future
- **Deactivation period:**
  - It should be clarified if it is a feature of the standard product
- **TSO-TSO GCT**
  - A range is proposed, NRAs now ask TSOs to explain why they do not propose an exact time
  - Clarify until which time TSOs can modify bids or declare unavailable and for which reasons

# Activation optimization function (AOF)

- TSOs propose a global optimization with several objectives and constraints
- Current proposal is not very clear on the distinction between strict constraints and optimization objectives
- Minimisation of aFRR volume as a main principle for AOF
- Priority is given to exchanges between LFC areas parts of the same LFC block
- Proposal not clear on how congestions between LFC areas without capacity calculation (i.e. inside a bidding zone) are handled (“IT limit” / “operational limitation”)
- Add mathematical formulations to explanatory document

# Other issues

- **Proposal of entities**

- Does not fulfil requirements of article 21(3)(e) EBGL
- Approach should be consistent with other platforms

- **Cost sharing**

- More clarity needed

- **Harmonisation of terms and conditions**

- In line with mFRR shadow opinion
- Framework of the process should be in IF proposal

# Questions?

- Any further question or comment