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 18th 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