

ACER



Agency for the Cooperation
of Energy Regulators



Regulatory requirements for booking platforms

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Agenda

- Background
- Why multiple BPs
- Issues with multiple booking platforms
- State of play across the EU
- Solution
 - Operational
 - New regulatory framework
- A look into electricity markets
- Conclusion

DISCLAIMER: The opinions expressed in this presentation do not necessarily represent the official views of the Agency.

Background: scope and definition

- Capacity booking platforms are the legal entities through which provisions of the CAM Network Code are applied
- Art 19.2 of CAM NC:

“TSOs shall offer capacity for the relevant standard capacity product on a booking platform [...]”

- Booking platforms can be operated by:
 - TSOs themselves
 - or third parties
- Booking platforms shall:
 - be joint (at least two TSOs and two MSs)
 - be web-based
 - follow the allocation rules set out in chapter III of CAM NC
 - prioritise the establishment of a process to offer bundled capacity
 - allow the offer of secondary capacity

Multiple booking platforms

- Three different booking platforms currently co-exist in the EU:

PRISMA

GSA

RBP

- They have different:
 - governance and ownership structures
 - technical and IT protocols
 - costs and fees
 - size and number of users
 - geographical scope
- More details on the characteristics of the three booking platforms (as at 15 September 2015) was provided by a [study from Baringa](#)
 - Since then, all booking platforms have reported progress

From the goal of a single booking platform...

- Initially, Framework Guidelines and draft NC CAM envisaged the establishment, and subsequent reduction, of a number of booking platforms
- From FG CAM, 3 August 2011, art 3.3:

“[...] [TSOs shall] establish a joint, anonymous, web-based platform for primary capacity allocation and secondary capacity trading. [...] The NC(s) shall lay down an action plan to reduce the number of platforms and eventually establish a single EU-wide platform. [...]”

...to the possibility to have more than one

- Before comitology, the European Commission ran an inter-service consultation
- As a result, the final text was reformulated and approved as follows (art 27.1 CAM NC):

“TSOs shall apply this Regulation by offering capacity by means of one or a limited number of joint web-based booking platforms. [...]”

Specific requirements

- Art. 27.2.e CAM NC:

“capacity at any single IP or VIP shall be offered at not more than one booking platform.”



- But if neighbouring TSOs chose 2 different Booking Platforms, they have to agree on which BP to use at the cross-border IP
- There is no mechanism to “force” agreement among neighbouring TSOs to use the same BP

Specific requirements

- Art. 27.3 CAM NC:

“The establishment of one or a limited number of joint booking platforms shall facilitate and simplify capacity booking at IPs [...] for the benefit of network users. [...]”

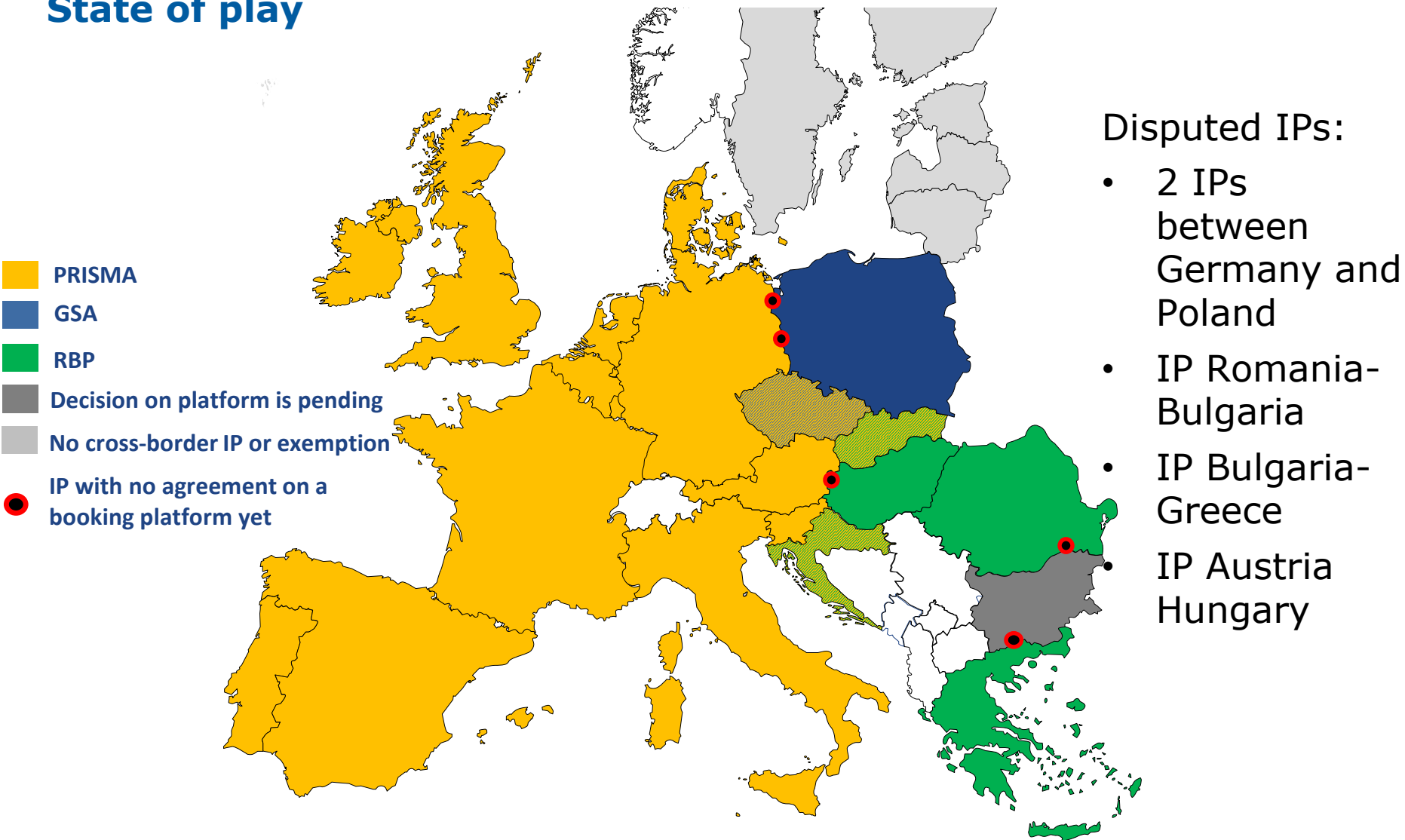


Relevant questions to evaluate current situation:

- Will one single BP facilitate and simplify booking better than several BPs?
- What would be the costs and benefits for all stakeholders?






Unfortunately, these questions were not addressed by ENTSOG in its report on BPs (as required by art. 27.3)

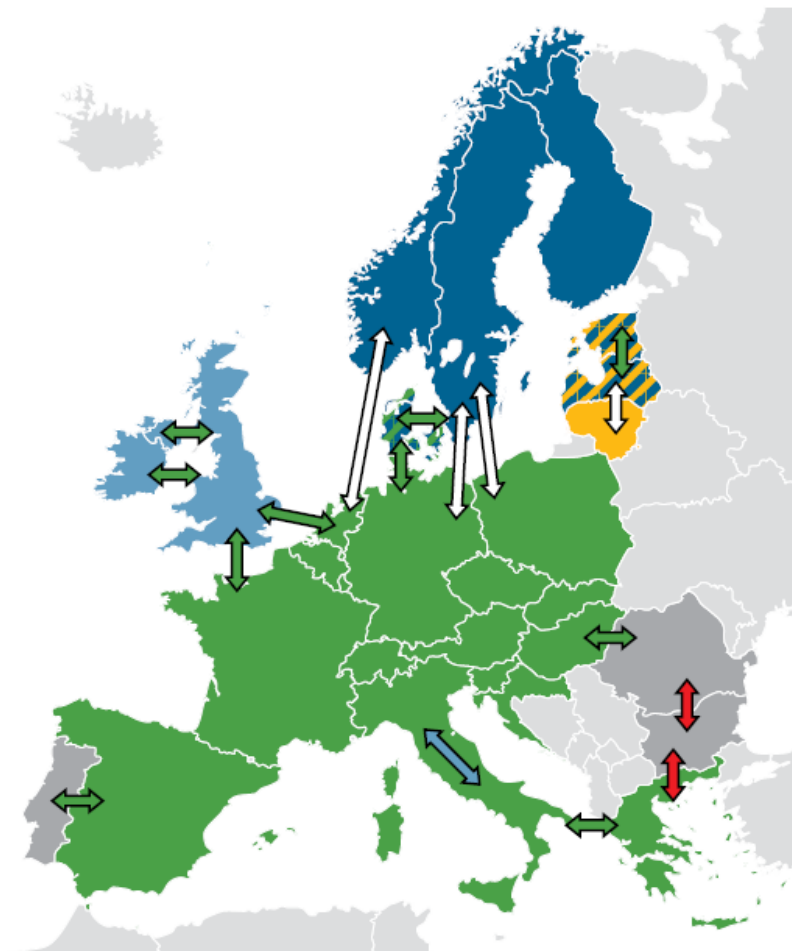
State of play



Electricity model: towards a single capacity platform

Legend:

-  TRs under HAR
-  PTRs under other rules
-  FTRs under other rules
-  No NRA decision
-  Financial hedging tools
-  Area covered by JAO
-  Area covered by UNICORN's platform
-  Development of financial hedging tools



- Transition towards a fewer number of platforms (CASC+CAO → JAO)
- The Forward Capacity Allocation (FCA) guidelines requires a single allocation platform, where TSOs allocate transmission rights

Cooperation between BPs (and related TSOs)

- Several BPs cooperation models were developed and discussed by BPs & NRAs in a series of workshops in 2015
- Regulators analysed these cooperation models from a legal perspective

Solutions still considered:

- Technical cooperation (common interface, IT solution / integration, ...)
- Tendering for the choice of the BP to be used at the disputed IPs



Until now, NRAs and TSOs concerned did not reach an agreement



In case of continued disagreement:

- The European Commission may open infringement procedures
- ACER could step in (art. 7 of Regulation 713/2009)

Possible options

A modification of the present NC CAM either:

1. to progress towards a single EU booking platform
 - Pros: efficiency, accessibility for network users, etc.
 - Cons: higher costs for certain TSOs, monopoly concerns, etc.
2. to prescribe detailed technical rules for the BPs cooperation
 - Pros: allow for continuation of competition (“regional partitioning”)
 - Cons: short-term inefficiency, not facilitating “one-stop-shop”

Regulatory concerns: who will supervise the (new) BP(s)?

A governance suggested in the FCA NC

- The issue on how to regulate and supervise the booking platform(s) is open also in the electricity sector
- Electricity and gas show similar situations in terms of the relations between BP(s) operator(s), TSOs, network users, and loose regulatory framework
- Yet in electricity, art. 49 of FCA NC requests that:

“[...] all TSOs shall submit to all NRAs a common proposal for a set of requirements and for the establishment of the single allocation platform. The proposal shall identify different options for the establishment and governance of the single allocation platform [...]. The proposal by TSOs shall cover the general tasks of the single allocation platform provided for in Article 50 and the requirements for cost recovery [...].”

- This alone will not solve all the regulatory supervision issue but may give some leverage to NRAs for requesting specific arrangements regarding performance, costs and governance.

Conclusions

- Some MSs are still incompliant regarding the booking platforms requirements in the CAM NC
- The present regulatory framework does not specify how BPs cooperation should look like
- Neighbouring NRAs have to find a common solution for the disputed cross-border IPs
- Even if both sides of all cross-border IPs were assigned to a single BP, the question of long-term competition advantages versus short-term inefficiencies of multiple BPs across the EU remains
- Regulatory concerns persist on how BPs are supervised / regulated

Thank you for your attention!



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