



*State of intraday markets in
Contracting Parties*

TF2 Electricity, Deliverable 1 & 2, WP 2018

Vienna, 27 February 2018

Scope:

- The Energy Community's Contracting Parties' balancing mechanisms are largely not market based,
 - lack functioning imbalance settlement procedures, and
 - do not provide for cross-border procurement of balancing energy and reserves
- Linking the national balancing markets to a regional and more dynamic approach would promote the transparent formation of balancing prices, introduce competition in the procurement of balancing services, and positively affect grid stability.
- Activity under this TF will also involve analysis of the imbalance price formation and imbalance prices in the Contracting parties.

- The need for Regional Balancing Initiative realization emerges more than ever.
- Contracting Parties and Observer Countries are all characterized by relatively small size and by existence of dominant incumbent generation companies. Balancing models in these markets are in almost all cases non market based with only one balance service provider (incumbent generation company).
- Most transactions related to balancing are made according to bilateral contracts between the - in most cases state owned - incumbent Generation Company and the TSO following bilateral negotiations or methodology solution.
- Engagement of national balancing market (Bosnia and Herzegovina).
- Sharing of balancing reserves already in place.
- Western Balkan 6 Initiative in progress.

- Objectives:
 - Survey on balancing mechanism implementation plans in the Contracting Parties (Task 1)
 - Assess how the imbalance prices are formed and the fundamentals around them (Task 2)
- The overall objective is to:
 - Prepare Report and present it to ECRB

The report should provide detailed information on how the imbalance prices are formed in the Energy community and what are the plans for future balancing mechanisms.

- In the mirror of recent activities in relation with Western Balkan 6 initiative, concrete progress is expected in the next period.
- This years challenge is continuation of last years approach, putting a stress on the perspective and future planned developments.
- Deeper elaborated questionnaire regarding balancing implementation plans is foreseen but it is expected that CPs make step forward in producing the perspective (more useful facts, more creativity in presenting, more creativity in creating the perspective).

Task 1: Timeline

Timeline of activities related to balancing implementation plans survey															
Specific tasks 2018	Who	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Developing the general concept & sharing views with EWG	TF2	■													
Agreeing on the general concept	EWG		■ ◆												
Developing the questionnaires and sending it to EWG for comments	TF2		■	■											
Finalizing the questionnaire & sending it to EWG	TF2			■	■										
NRAs sharing and consultation with national market participants	Each EWG member				■	■									
Collection of responses & sending to TF2	Each EWG member				■	■	■								
Review of responses & address potential issues & consolidate the draft report	TF2					■	■	■	■	■	■				
Submit to EWG draft report	TF2									■	■				
Collection of comments	TF2									■	■				
Consolidation & submission of final report	TF2										■	■			
Approval of Balancing Report	EWG											■	■		
Submission to ECRB for approval	ECRB Section												■	■	
◆ ECRB EWG Meetings		■ Submissions by this date													

Task 2: Timeline

Timeline of activities related to imbalance settlement mechanisms survey questionnaire															
Specific tasks 2018	Who	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Developing the general concept & sharing views with EWG	TF2	■													
Agreeing on the general concept	EWG		■	◆											
Developing the questionnaires and sending it to EWG for comments	TF2		■	■											
Finalizing the questionnaire & sending it to EWG	TF2			■	■										
NRAs sharing and consultation with national market participants	Each EWG member				■	■									
Collection of responses & sending to TF2	Each EWG member				■	■	■	■							
Review of responses & address potential issues & consolidate the draft report	TF2					■	■	■	■	■	■				
Submit to EWG draft report	TF2									■	■				
Collection of comments	TF2									■	■				
Consolidation & submission of final report with support of ECRB section	TF2										■	■			
Approval of Balancing Report	EWG											■	■	■	
Submission to ECRB for approval	ECRB Section												■	■	
◆ ECRB EWG Meetings		■ Submissions by this date													

Task 2: Imbalance price formation

- A survey should be done on how the imbalance prices are formed:
 - based on supply and demand mechanism,
 - marginal price per hour/half hour, etc.
 - Regulated / index, etc.
- What is the settlement cycle and how does the TSO manage and mitigate the credit risk
 - Collateral requirements, etc.
- Ideally the report should include imbalance prices for a period - to be agreed at the EWG

The background is a satellite-style image of the Earth at night, showing city lights. Overlaid on this are numerous glowing blue lines that curve and intersect across the globe, representing a global energy network.

Thank you!

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