



ACER public consultation on Intraday Cross-Zonal Gate Opening and Gate Closure Times

EDF Group response

30/01/2018

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GENERAL REMARKS

The involvement of market parties in the implementation process of the European guidelines and network codes is fundamental. Therefore, the organisation by ACER of a public consultation on Intraday Cross-Zonal Gate Opening and Gate Closure Times in the view of the adoption of its decision is an appropriate and much-welcomed initiative.

Before answering to the specific questions of the public consultation, EDF Group wishes to make some general remarks:

- Even if a EU-wide harmonisation of the gate opening time is not a prerequisite for the implementation of the single intraday coupling, EDF Group favours the targeted harmonised GOT at 15:00 in D-1 proposed by national regulators and ACER since it maximises the cross-zonal trading opportunities earlier in the afternoon of D-1.
- EDF Group supports the harmonised gate closure time proposed by TSOs (60 minutes before real time) but is not opposed to the implementation of shorter gate closures (ex. 30 minutes) on borders between bidding zones operated by TSOs whose congestion management and balancing processes would not be negatively affected by such an evolution (e.g. TSOs applying a reactive approach).

Furthermore, EDF Group wishes to draw ACER's attention on other design features of the single intraday market coupling which can have a greater impact on the efficient functioning of this market. In particular, EDF Group has identified several drawbacks of the current design of the XBID project which represent a considerable step back compared to the current market design on some European borders:

- The design of the LIP 9 implementing XBID in the Iberian Peninsula will limit continuous trading only for the following 4/6 hours while the participation in regional intraday auctions will be reserved to Iberian market participants. Furthermore, the liquidity of the continuous intraday

market in Spain and Portugal is likely to be dramatically low as long as generation units cannot be freely redispatched after the unit-based auctions. In this context, the removal of the explicit allocation of cross-border capacity would represent a significant step back for intraday capacity allocation on the Spain/France border.

- The following design features:
 - the removal of the 15/30 minutes products;
 - the non-connection between XBID and the local trading solutions (LTS) ;
 - the market-depth limitation to 31 orders and 600 MW;
 - the exclusion of the Swiss market from the XBID platform;
 - the minimum tick size at 0.01 euros /MW.

All these features will lead to a massive step back in the intraday cross-zonal market design with a dramatic impact on the liquidity of this market. EDF Group considers that the implementation of European guidelines and network codes should avoid any step back with respect to the present situation. Therefore, as long as the abovementioned issues are not solved, EDF Group tends to favour a postponement of the XBID project go-live.

ANSWERS TO THE CONSULTATION QUESTIONS

1. **Do you find it reasonable to apply transitional GOTs which can be after 15:00 D-1 in order to give TSOs sufficient time to gain operational experience with congestion management procedures and intraday capacity calculation?**

An initial absence of full harmonization of GOTs at European level does not seem to result in a substantial loss of welfare, as long as continuous markets at bidding zone level open soon enough in the afternoon of D-1. Indeed, it should be taken in due consideration that market participants need to rely on a trading period in D-1 that is large enough to easily trade the first delivery hours of the day.

In general, EDF Group believes that cross-border intraday trading should be opened as soon as possible after the calculation of scheduled exchanges resulting from the day-ahead coupling. The cross-border capacity initially made available for trading could be the one calculated for the day-ahead coupling which should be updated as soon as it is recomputed all along the trading period. Furthermore, in EDF Group's view, TSOs did not provide enough evidences on the constraints related to performing intraday capacity calculation and congestion management in parallel with a continuous cross-zonal intraday market, in particular regarding the impact on reliability margins considered in capacity calculation.

Thus, EDF Group considers it appropriate, after the initial transitional period, to target a EU-wide harmonised GOT at 15:00 in D-1 since it allows to maximise cross-zonal trading opportunities starting from D-1 by opening the XBID market at the same time all over Europe.

- 2. Do you consider the proposed GOT in the Baltic, Channel and Hansa CCRs ambitious enough or could TSOs on both sides of the bidding zone borders in those CCRs implement internal GOTs at 15:00 D-1?**

EDF Group believes that TSOs on both sides of the bidding zone borders in the Baltic, Channel and Hansa CCRs could implement GOTs at 15:00 in D-1 starting from the entry into force of Agency's decision.

- 3. Do you consider that TSOs could further optimize their planned capacity calculation and congestion management processes to enable a transitional GOT in some CCRs to be set to 21:00 or even earlier?**

EDF Group believes that a GOT at 22.00 in the day-ahead is too late when considering the short trading time left to market participants for the exchanges related to the first delivery hours of the day. The coordinated intraday capacity calculation is a necessary exercise to maximize the capacity available in the intraday timeframe but, in EDF Group's view, TSOs internal processes could be further optimised to strike the right balance between an efficient intraday capacity calculation and congestion management processes and the need to maximise trading opportunities of market participants. Furthermore, as already highlighted, TSOs did not provide enough evidences on the constraints related to performing intraday capacity calculation and congestion management in parallel with a continuous cross-zonal intraday market, in particular regarding the impact on reliability margins considered in capacity calculation.

Thus, EDF Group believes that for CCRs where TSOs proposed a GOT at 22:00 in D-1 the transitional GOT should be anticipated at 20:00 in day-ahead at the latest.

- 4. Which option for the harmonization of GOT do you prefer? Please, explain thoroughly why or, alternatively, propose a new concrete timing and add the reasoning for such a choice.**

EDF Group has a preference for option b): *"The harmonised GOT shall be implemented within 36 months after the entry into force of the Agency's decision"*. A 36 months transitional period would allow all the involved parties to smoothly adapt to the final EU-wide harmonisation of GOT at 15:00 D-1 and TSOs to develop ID capacity calculation methodologies which account for this target.

- 5. Do you consider it acceptable that each CCR can have a different target date for implementing the harmonized GOT, depending on specific circumstances in such CCR?**

As already highlighted, the initial absence of a full harmonization of GOTs at European level does not seem to result in a substantial discrimination between market participants. Therefore, the definition of different target dates at CCR level for the implementation of the harmonized GOT does not seem highly problematic, except that a unique target date for all Europe could be easier to manage by market participants.

Nevertheless, EDF Group believes that the delay of 6 months for the implementation of the harmonised GOT after the implementation intraday capacity calculation in a given CCR, as proposed in option c), is not justified. Indeed, if option c) were chosen, TSOs of a CCRs should elaborate their coordinated intraday capacity calculation processes by taking into account from the beginning the final EU-wide harmonised GOT rather than adapt this process to the new harmonised GOT 6 months after its implementation. Thus, option c) could be envisaged if the implementation of the harmonised GOT is carried out in parallel with the implementation of the intraday capacity calculation process in the concerned CCR.

6. Do you agree with the exception from the harmonized GCTs and do you see other bidding zone borders than the EE-FI border where this exception could apply? If so, please explain why.

EDF Group shares TSOs' view on the opportunity to harmonize as much as possible the gate closure time for intraday cross-border exchanges all over the intraday coupled region. Setting the same gate closure time on the largest possible number of bidding zone borders would allow to avoid discriminations between market participants and would contribute to ensuring equal access to intraday market irrespective of the location of market participants. Moreover, in accordance with the requirements set by the CACM Regulation, the harmonised IDCZGCT should strike the right balance between the maximization of market participants' opportunities to trade as close as possible to real time and the need to preserve the balancing, scheduling and congestion management processes of TSOs.

For these reasons, EDF Group agrees with the proposed harmonised cross-zonal GCT 60 minutes before the start of the relevant intraday market time unit since it is compatible with the existing congestion management and balancing processes applied by TSOs, including TSOs using the Replacement Reserve process (proactive approach). In case of proactive TSOs, the implementation of a gate closure time for cross-zonal exchanges closer to delivery would require to shorten the lead time for market participants to notify a change in their forecasted dispatch schedule. This could possibly lead to a lower liquidity on intraday markets, due to a potentially increased reservation of capacity margins by TSOs for the management of internal congestions. Furthermore, it should be considered that setting the cross-zonal GCT 60 minutes before real time does not prevent TSOs from setting shorter internal gate closures.

Nevertheless, EDF Group does not see major obstacles to the introduction of an exception to the harmonised GCT with the application of a gate closure shorter than 60 minutes (ex. 30 minutes) between bidding zone whose TSOs' congestion management and balancing processes would not be negatively affected by such an evolution, e.g. where TSOs are applying a reactive approach. This exception would allow to maximise market participants' opportunities to trade across these borders without negative impacts on scheduling and balancing processes.

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