

OPINION No 08/2019
OF THE AGENCY FOR THE COOPERATION OF
ENERGY REGULATORS

of 30 January 2019

**ON THE AMENDED SECOND UPDATE OF THE MANUAL OF PROCEDURES
FOR THE ENTSO-E CENTRAL INFORMATION TRANSPARENCY PLATFORM**

THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

Having regard to Commission Regulation (EU) No 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council¹, and, in particular, Article 5 thereof,

Having regard to Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing², and, in particular, Article 12(5) thereof,

Whereas:

1. INTRODUCTION

- (1) Article 12(5) of Regulation (EU) 2017/2195 requires the European Network of Transmission System Operators for Electricity ('ENTSO-E') to update the manual of procedures for the central information transparency platform under Regulation (EU) No 543/2013 with regard to additional transparency requirements concerning electricity balancing, and to seek the Agency's opinion on this update.
- (2) To that end, ENTSO-E submitted an updated manual of procedures (version 3.0 of 20 March 2018), on which the Agency issued its Opinion No 04/2018 of 13 June 2018³. In this Opinion, the Agency recommended several amendments and invited ENTSO-E to revise the submitted manual of procedures, to submit it to a public consultation, and to

¹ OJ L163, 15.6.2013, p. 1.

² OJ L312, 28.11.2017, p. 6.

³ https://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Opinions/Opinions/ACER%20Opinion%2004-2018.pdf

resubmit the draft revised manual of procedure within six months for a new Agency's opinion.

- (3) On 4 December 2018, ENTSO-E resubmitted to the Agency a revised version 3.1, dated 29 October 2018, of the manual of procedures ('updated MoP'), as required by Article 12(5) of Regulation (EU) 2017/2195, including an update of separate documents referenced in the MoP. The referenced documents included a Detailed Data Descriptions ('DDD') document, a Business Requirements Specification ('BRS') document and several implementation guides describing the standards and methods used for the submission and transfer of information. Additionally, on 14 December 2018, ENTSO-E submitted to the Agency the responses received from its consultation of the ENTSO-E Transparency User Group (ETUG) members on selected aspects for the revised update of the manual of procedures.

2. ASSESSMENT OF THE UPDATED MANUAL OF PROCEDURES

2.1. Legal framework

- (4) According to Article 5 of Regulation (EU) No 543/2013, the manual of procedures for the central information transparency platform has to specify: the details and format of the submission of data laid down in Article 4(1) of the same Regulation; standardised ways and formats of data communication and exchange between primary owners of data, transmission system operators ('TSOs'), data providers and ENTSO-E; the technical and operational criteria which data providers need to fulfil when providing data to the central information transparency platform; and an appropriate classification of production types referred to in Articles 14(1), 15(1) and 16(1) of the same Regulation.
- (5) According to Article 12(5) of Regulation (EU) 2017/2195, each TSO has to publish certain balancing-related pieces of information, as defined in paragraph 3 of the same Article, in a commonly agreed harmonised format, at least through the central information transparency platform, and ENTSO-E has to update the manual of procedures referred to in Article 5 of Regulation (EU) No 543/2013 accordingly and submit it to the Agency for an opinion.

2.2. General comments

- (6) The updated MoP consists of a concise 'basic document' that refers to more detailed documents (referenced documents), such as the DDD document and the BRS document. Since the DDD document is the basis used for the elaboration of the other implementation guides, which are mainly relevant for data providers, this Opinion focuses on the DDD document.
- (7) More specifically, this Opinion evaluates whether the updated MoP has adequately addressed the Agency's recommendations in its Opinion No 04/2018.

2.3. Comments related to the Agency's recommendations on balancing data items

2.3.1. Integration of Regulation (EU) 2017/2195 and Regulation (EU) No 543/2013

- (8) As recommended by the Agency, all the data items required by Regulation (EU) 2017/2195 and by Regulation (EU) No 543/2013 were combined and grouped into the following categories: balancing capacity, balancing energy, imbalance, financial balance, cross-border capacity, and balancing rules. This approach contributes to ensuring the consistent integration of the data requirements stemming from both Regulations.
- (9) Additionally, ENTSO-E identified several overlaps between the requirements of the two Regulations. As a result of this analysis, ENTSO-E proposed in the DDD document the phasing out of specific data items required by Articles 17(1)(a), (d), (e) and (j) of Regulation (EU) No 543/2013.
- (10) ENTSO-E drafted an explanatory document on the above-mentioned overlaps, and its content was consulted with the ETUG members from 29 November 2018 to 13 December 2018. The Agency was provided with the individual replies from the ETUG members, although an assessment of these replies was not provided. These replies suggest that the ETUG members largely agree with the approach taken by ENTSO-E to address the identified overlaps, although they stressed the need further to clarify several aspects of the above-mentioned explanatory document.
- (11) The Agency recommends that the consultation comments be taken into account both for the MoP, before its implementation, and for the explanatory document on overlapping data items, before its publication on the website. For example, it should be clarified that the prices paid by market operators (where this is not done by TSOs) for the activation of balancing energy should also be reported under item 17(1)(f) of Regulation (EU) No 543/2013.

2.3.2. (Alignment of) Definitions

- (12) Regarding the alignment of terms and definitions used in Regulation (EU) 2017/2195 and Regulation (EU) No 543/2013, the outdated terms and definitions of Regulation (EU) No 543/2013 have been replaced in the DDD document by the most accurate and up-to-date ones of Regulation (EU) 2017/2195.
- (13) More specifically, the term Balancing Time Unit defined in Regulation (EU) No 543/2013 has been replaced by the term Market Time Unit introduced in Regulation (EU) 2017/2195, and further specified to be equal to the Imbalance Settlement Period, a term also introduced in Regulation (EU) 2017/2195. The Agency considers that this replacement allows for a harmonised publication of data in the lowest granularity and contributes to increasing transparency and comparability across jurisdictions. The Agency also agrees with using the term Market Time Unit, interpreted as Imbalance Settlement Period for the data items related to balancing capacity.

- (14) Furthermore, the term Market Balance Area, which is defined neither in Regulation (EU) No 543/2013, nor in Regulation (EU) 2017/2195, has been replaced by the term Scheduling Area, which is used to specify the requirements for publication of balancing data in Article 12 of Regulation (EU) 2017/2195. Additionally, the terms Imbalance Area and Imbalance Price Area are used in the DDD document for the publication of data related to imbalances, and the term Load Frequency Control Area is used for the case where the TSO's control area covers two or more scheduling areas. The Agency considers that this is a significant improvement for the alignment of the different terms used under the two Regulations that contributes to the consistency of the published data.
- (15) When applying these terms in the Transparency Platform, the Agency strongly recommends that they be implemented in such a way that, for each data item, a user navigating through the web interface would not need to investigate which is the relevant term that applies for a specific area, data item and jurisdiction. For example, a user interested in imbalance prices should only be offered the possibility to filter the data by imbalance price area, which should be a list of all and only all imbalance price areas in Europe. This is different (and considerably more user-friendly) than requiring the user to identify whether the list of scheduling areas or imbalance price areas should be used, depending on the relevant jurisdiction. In fact, this suggestion should also be applied to all or most other data items in the web user interface of the Transparency Platform.
- (16) The DDD document was also amended to ensure the consistent use of the terms 'type of product' and 'type of reserve'. Previous ambiguities were removed and the terms are used in the DDD document consistently and in line with Regulation (EU) 2017/2195. The first term indicates whether a product is standard or specific and the second term denotes one of the following reserve types: replacement reserves, frequency restoration reserves with manual activation, frequency restoration reserves with automatic activation and frequency containment reserves. The Agency considers that this amendment contributes to the consistent publication of data.

2.3.3. Consistency of units

- (17) Regarding the consistency of the units, the Agency recognises ENTSO-E's effort for further standardisation and clarification of the units throughout the DDD document, especially with respect to the interpretation of how to report data items required per market time unit and of how to report data items related to prices or costs per energy (or capacity) unit and/or per market time unit.

2.3.4. Specific balancing data items

- (18) Regarding the prices of the reserved capacity of balancing reserves, as indicated in Recital (13) above, ENTSO-E has replaced the outdated term Balancing Time Unit introduced in Regulation (EU) No 543/2013 with the term Market Time Unit used in Regulation (EU) 2017/2195, and further specified it to be equal to the Imbalance Settlement Period. Moreover, as clarified in the DDD document, individual values will

be published for every Imbalance Settlement Period, although for the same Imbalance Settlement Period different prices may be published based on the various procurements that may have taken place in different timeframes. The time period for which the procurement process was made will also be reported. The Agency considers that this amendment contributes to transparency.

- (19) Regarding the current system balance, the DDD document describes two different data items for the requirements of Article 12(3)(a) of Regulation (EU) 2017/2195 and Article 17(1)(h) of Regulation (EU) No 543/2013, in line with the Agency's recommendation. Additionally, for the 'current system balance', pursuant to Article 12(3)(a) of Regulation (EU) 2017/2195, a publication with a 1-minute resolution and a delay of up to 30 minutes is planned. The Agency considers that this approach enhances the information provided to the Transparency Platform. Nevertheless, once the updated MoP is implemented, the Agency recommends that market participants be specifically consulted on the approach taken for the above-mentioned data items, in order to ensure that such an approach allows them to support system's balance in an efficient manner.
- (20) Regarding the data item 'Allocation of cross-zonal balancing capacity', the DDD document has been amended in line with the Agency's recommendation to refer to 'Market values' in the detailed description, instead of a single 'Market value'. Moreover, it is mentioned that, as a transitory measure, until the methodologies referred to in Articles 39 to 42 of Regulation (EU) 2017/2195 are fully implemented, a single value may be reported. The Agency considers this to be acceptable, as long as the publication includes all the elements of the respective methodology that is being actually implemented.
- (21) Regarding the relation between data items under Articles 12(3)(h) and (i) of Regulation (EU) 2017/2195, the DDD document has not been amended explicitly to state, as recommended by the Agency, that the two items will be stored and displayed separately. However, the information included in the other complementary documents of the MoP seems to suggest that the separate storage and display of these two data items is indeed envisaged. The Agency recommends having this aspect explicitly stated in the DDD document, in order to provide more clarity to market participants.

2.4. Need for future updates of the manual of procedures with regards to various balancing data items

- (22) Certain aspects of the implementation of the European platforms pursuant to Articles 19 to 22 of Regulation (EU) 2017/2195 are not yet specified, since the approval process of the respective proposals is still ongoing. As a consequence, some of the data items may require further clarifications in their description, as well as in the way they will be published. In general, the Agency agrees with the approach followed by ENTSO-E with respect to the aspects presented in the following Sections 2.4.1 to 2.4.3, under the condition that once the implementation frameworks of the European platforms pursuant

to Articles 19 to 22 of Regulation (EU) 2017/2195 are approved, the updated MoP will be revised accordingly.

2.4.1. Market time unit smaller than the imbalance settlement period

- (23) The Agency recognises that for data items that are to be reported per market time unit (a concept clearly defined neither in Regulation (EU) No 543/2013 nor in Regulation (EU) No 2017/2195), the imbalance settlement period can be used. However, this is true as long as there are no market time units shorter than the imbalance settlement period. Since the ongoing discussions among TSOs and national regulatory authorities for the future set up of the European platforms include the option for market time units shorter than the imbalance settlement period, it is important to include this possibility in the DDD document. Therefore, the Agency agrees with ENTSO-E's description in the DDD document, explaining that the balancing energy data should be published per imbalance settlement period, *'as long as the applicable market time unit is not shorter than the imbalance settlement period'*. The Agency recommends that the updated MoP be revised in case of market time units shorter than the imbalance settlement period.

2.4.2. Information on bids other than simple ones

- (24) Pursuant to Article 12(3)(b) of Regulation (EU) 2017/2195, information on all balancing energy bids should be published. Currently, the only type of balancing energy bids is 'simple' bids, but the discussions among TSOs and national regulatory authorities for the future set up of the European platforms include the option of 'complex' bids; however the specific sub-types and structure of the latter are not yet known. Therefore, the Agency agrees with ENTSO-E on the reassessment of the publication of complex balancing energy bids *'when there is a higher degree of certainty regarding their applicability and composition'*. The Agency recommends that the updated MoP be revised as soon as these 'complex bids' are eventually defined.

2.4.3. Treatment of unavailable bids

- (25) The ongoing discussions among TSOs and national regulatory authorities for the future set up of the European platforms include the option of extending the unavailability of a bid, described in Article 29(14) of Regulation (EU) 2017/2195, also to the cases of bid withholding described in Articles 29(9) and (10) of Regulation (EU) 2017/2195. This option would also reflect the reason for declaring a bid as unavailable. Therefore, the Agency recommends that, once the implementation frameworks for the European platforms are approved, the updated MoP be revised to distinguish between the different cases of unavailable bids.

2.5. Comments related to other recommendations of the Agency

2.5.1. Need to carry out a public consultation

- (26) The Agency, in its Opinion No 04/2018, recommended that ENTSO-E carry out a public consultation for the updated MoP, given the inclusion of a considerable amount of new data items pursuant to Regulation (EU) 2017/2195.
- (27) Instead, ENTSO-E proceeded with a limited consultation, both in scope and target respondents. The consultation was limited to collecting views on the overlaps identified between the data items of Regulation (EU) No 543/2013 and those of Regulation (EU) 2017/2195, and it was only addressed to ETUG members. Despite the benefits of this consultation, the Agency regrets that a wider consultation was not carried out.
- (28) In particular, a public consultation would have allowed ENTSO-E (and the Agency when issuing this Opinion) to assess the adequacy and consistency of the changes included in the updated MoP in response to the requirements of Regulation (EU) 2017/2195, in a more solid manner.

2.5.2. Urgent need to address previous comments of the Agency on specific data items related to intraday offered capacity and flow-based market coupling

- (29) Finally, the Agency would like to remind that its Opinion No 04/2018 included remarks on the data items ‘Intraday offered cross-zonal capacity’ (Article 11(2) of Regulation (EU) No 543/2013) and ‘flow-based parameters’ (Article 11(1)(b) of Regulation (EU) No 543/2013).
- (30) The first data item - ‘Intraday offered cross-zonal capacity’ - needs to be adapted, in particular to reflect the go-live of single intraday market coupling. The second data item - ‘flow-based parameters’ - should be entirely revised as new flow-based parameters are currently available, and in order to identify the critical network elements (which are currently anonymised).
- (31) Since there were no amendments in this version of the DDD document with respect to these two data items and since they are currently provided in a way that may not be fully in line with Regulation (EU) No 543/2013, the Agency stresses the need to address these aspects with high priority.

2.5.3. References to ‘agreements with ACER’ in the MoP

- (32) In a number of occasions, the updated MoP stresses that some changes in it are performed in ‘agreement with ACER’. This may mistakenly suggest that other changes were done in disagreement with the Agency. Moreover, the Agency considers that these statements are unnecessary, in particular given the non-binding character of the Agency’s opinions on the matter and that drafting the manual of procedures is the sole responsibility of

ENTSO-E. The Agency recommends to remove these type of statements from the updated MoP.

2.5.4. Data quality

- (33) Although the main purpose of the updated MoP was to incorporate data items required by Regulation (EU) 2017/2195, the Agency reiterates the concerns, expressed in its Opinion No 04/2018, regarding the lack of clear procedures described in the DDD document to address data quality issues. These concerns remain and are therefore still to be addressed.

3. CONCLUSION

- (34) The Agency considers that overall the updated MoP fulfils the requirements for the publication of new balancing data items envisaged in Regulation (EU) 2017/2195 and meets the objective of Regulation (EU) No 543/2013 to ensure the provision of clear and timely information about balancing markets in a comparable format across borders.
- (35) However, in the Agency's view, a few parts of the updated MoP should still be changed. Therefore, the Agency has included in this Opinion a number of recommendations, some of which should be addressed without delay, while others should be implemented as soon as the relevant methodologies under Regulation (EU) 2017/2195 are defined,

HAS ADOPTED THIS OPINION:

1. The Agency finds that the updated MoP fulfils the requirements for the publication of new balancing data items envisaged in Regulation (EU) 2017/2195 and meets the objective of Regulation (EU) No 543/2013 to ensure the provision of clear and timely information about balancing markets in a comparable format across borders.
2. The Agency recommends to arrange, without delay, for a user-friendly implementation of the various terms replacing the concept of 'Market Balance Area', for an adequate publication of 'Intraday Offered Capacity', and for a revision of the 'flow-based parameters', including the identification of critical network elements.
3. The Agency recommends to revise, at least, the following aspects of the updated MoP once the frameworks for the European balancing platforms are approved and ready for implementation:
 - a. The need to include market time units that are shorter than the imbalance settlement period;
 - b. The inclusion of detailed data referring to 'complex balancing energy bids';
 - c. The distinction between different cases of unavailable bids; and

- d. The adequacy of the definitions used for imbalance volumes and current system balance.
4. The Agency recommends removing statements referring to specific parts of the updated MoP being defined in 'agreement with ACER'.
5. The Agency recommends that the consultation comments from the ETUG members be taken into account by ENTSO-E during the finalisation of the MoP and the explanatory document, before their publication on the website.
6. The Agency reiterates the need to define clearer and more robust procedures to address data quality issues within the scope of ENTSO-E's competences.

This Opinion is addressed to ENTSO-E.

Done at Ljubljana on 30 January 2019.


For the Agency
Director ad interim
Alberto POTOTSCHNIG