

**OPINION OF THE AGENCY FOR THE COOPERATION OF ENERGY
REGULATORS No 02/2018**

of 10 April 2018

**ON THE PARTICIPATION OF SWITZERLAND IN THE EUROPEAN
PLATFORMS FOR THE EXCHANGE OF STANDARD PRODUCTS FOR
BALANCING ENERGY IN ACCORDANCE WITH ARTICLE 1(7) OF
COMMISSION REGULATION (EU) 2017/2195 OF 23 NOVEMBER 2017
ESTABLISHING A GUIDELINE ON ELECTRICITY BALANCING**

THE AGENCY FOR THE COOPERATION OF ENERGY REGULATORS,

HAVING REGARD to Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing¹ ('EB Guideline') and, in particular, Article 1(7) thereof,

WHEREAS:

On 27 September 2017, the European Network of Transmission System Operators for Electricity ('ENTSO-E') submitted the 'All TSOs' Opinion on the participation of Switzerland in the European platforms for the exchange of standard products for balancing energy' in accordance with Article 1(7) of the EB Guideline ('TSO's opinion') to the European Commission,

HAS ADOPTED THIS OPINION:

1. Legal context

In accordance with Article 1(6) of the EB Guideline, the European platforms for the exchange of standard products for balancing energy may be opened to the Swiss TSO on the condition that its national law implements the main provisions of Union electricity market legislation and that there is an intergovernmental agreement on electricity cooperation between the Union and Switzerland, or if the exclusion of Switzerland may lead to unscheduled physical power flows via Switzerland endangering the system security of the region. Furthermore, in accordance with Article 1(7) of the EB Guideline, subject to the aforementioned conditions, the participation of Switzerland in the European platforms for the exchange of standard products for balancing energy shall be decided by the Commission based on an opinion given by the Agency and all TSOs.

2. The all-TSOs' opinion

In their opinion, the TSOs argue that with the implementation of the EB Guideline, "*cross border energy exchanges within the critical balancing timeframe will become very significant (whereas they are rare to non-existent today)*", and this "*will result in unscheduled physical power flows over the*

¹ OJ L 312, 28.11.2017, p. 6.

Swiss network, which may endanger the security of the region, if not addressed in a common framework with the participation of Switzerland into the European platforms for the exchange of standard products for balancing energy". Therefore, all TSOs recommend the participation of Switzerland in the European platforms for the exchange of standard products for balancing energy.

3. The Agency's opinion

The Agency generally understands that 'system security', as referred to in Article 1(6) of the EB Guideline, actually refers to operational security, as 'system security' is a legally undefined notion. More specifically, based on the all TSOs' opinion, the operational security in this context seems to refer only to the management of congestions (i.e. violation of thermal limits on network elements)². For this reason, the Agency's opinion refers only to possible congestion problems in the Swiss network caused by excluding Switzerland from the European platforms for the exchange of standard products for balancing energy.

The Agency generally agrees with the all TSOs' assessment (see for instance Figure 36 of the Electricity Wholesale Markets Volume of the Agency's Market Monitoring Report³ for the year 2016, which shows the serious negative economic impact of unscheduled flows on the Swiss cross-zonal capacity in both directions) that the full participation of Switzerland in the European platforms for the exchange of standard products for balancing energy could be an efficient solution to help remove possible congestion problems in the Swiss network and increase the efficiency of the Swiss cross-zonal capacity calculation and allocation, as well as the overall operational security in the region.

At the same time, the Agency finds it important that, in such a case, Switzerland implements all the requirements of the EB Guideline and other related provisions, which are needed to ensure a level playing field between the rights and responsibilities of, on the one hand, the Swiss TSO and market participants and, on the other hand, the TSOs and market participants operating in the Union.

Done at Ljubljana on 10 April 2018.

For the Agency:


Alberto Pototschnig
Director

² The all TSOs' opinion seems not to mention any possible problems created by the European platforms for the exchange of standard products for balancing energy related to frequency, voltage or other operational security limits.

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http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER%20Market%20Monitoring%20Report%202016%20-%20ELECTRICITY.pdf