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## **ACER Framework Guidelines on Electricity Balancing: ElCom response to public consultation**

Dear Sir or Madam,

On 25 April 2012 you invited us to provide comments on the Draft Framework Guidelines on Electricity Balancing. As Swiss national regulatory authority we are pleased to hereby provide our response.

In a first section, we would like to submit some general remarks. Finally, we will answer the specific questions raised in the Draft Framework Guidelines.

### **General remarks**

First of all we would like to point out that in our opinion the present draft version of the FG on Electricity Balancing seems to define a firm basis and exhibits the right level of detailing in order to establish the network codes on it.

Furthermore, we would like to emphasize that besides the efforts of exhausting the economical potential of a pan-European balancing market the challenges concerning the security of supply should be taken into account likewise. Thus, we support the additional consideration of further inputs such as technical restrictions or locational information in the activation of balancing bids in order to avoid congestion situations. The price should not be the only criterion for the activation order of balancing energy.



## Questions

**Question 1: Do you consider that harmonisation of the pricing method is a prerequisite to establish a TSO-TSO model with common merit order list for balancing energy? Do you support the use of the pay-as-cleared principle?**

The pay-as-cleared principle needs not to be necessarily the most efficient pricing mechanism. Due to the variety of balancing products and markets the details of this topic should be defined by the network code.

**Question 2: Do you think the “margins” should not exceed the reserve requirements needed to meet the security criteria which will be defined in network code(s) on System Operation?**

Since from our point of view a balanced consideration of security and market efficiency criteria is crucial, we would recommend a limitation of the “margins”.

**Question 3: Do you support to aim at similar target models for frequency restoration reserves and for replacement reserves? Do you think a distinction should be made between manual-activated and automatically-activated frequency restoration reserves in terms of models of exchanges and/or timeframes of implementation?**

The general conditions for FRR and RR markets are different. Therefore, a unified target model for both markets might not fit the complex of problems adequately.

**Question 4: Do you support the timeframes for implementation?**

As long as the timeframes for implementation do not collide with security and stability requirements we can support them.

**Question 5: Do you consider regional implementation objectives as relevant milestones which should be aimed at in these Framework guidelines on electricity balancing and the Electricity Balancing Network Code(s)?**

Regional implementation objectives as relevant milestones could improve the project controlling and reduce the project risks. A successive implementation of integrated European balancing markets should reduce the project complexity and provides measurable sub-ordinate targets. In this spirit we consider regional implementation objectives as relevant milestones that should be defined in the Network Codes in more detail.

**Question 6: Do you consider important to harmonise imbalance settlement? Do you think these framework guidelines on electricity balancing should be more specific on how to do it?**

In our opinion harmonisation of imbalance settlement is an important requirement for an integrated European balancing market. The details should be determined in the Network Codes.



We hope that we could make a useful contribution to the public consultation.

Kind regards

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and International Affairs

