

Deliverable I.4 Cross-border balancing model among TSOs -BALIT project-

(14th IG meeting, Madrid, February 25th, 2014)

Update on recent developments (I)

- **13th ERI SWE IG meeting (Lisbon, 3rd December 2013)**
 - ❖ REN, RTE and REE provided an updated status of the project with foreseen go-live in February 2014
- **Regulatory changes**
 - ❖ **Portugal:**
 - ❖ December 2013: Submission to ERSE of modification of the “**Manual de Procedimentos da Gestão Global do Sistema**” - *Pending of approval*
 - ❖ **Spain:**
 - ❖ **Revision of Operational Procedures:**
 - ❖ 19th February 2014: Launching of consultation by CNMC (for 10 days) in the framework of Electricity Advisory Council (EAC) on **Operational Procedures** proposal sent by REE to MINETUR (December 2013)
 - ❖ **High level regulation:**
 - ❖ 26th December 2013: New Electricity Law 24/2013 considers cross border balancing mechanisms
 - ❖ 19th February 2014: Launching of consultation by CNMC in the framework of Electricity Advisory Council (EAC) on **CNMC Circular** (for 10 days)
 - ❖ **France:** No regulatory changes required
- **Contractual Agreements:** SPA (REN-RTE, REE-RTE) and CBB (RTE-REE, REN-REE) – *Ready for signature*
- **IT developments and tests:** Finished – *Ready for go-live*

Go-live of cross border balancing mechanisms in the SWE region, initially foreseen for February 2014, is subject to consecution of needed regulatory updates

Update on recent developments (II)

BALIT project	2014						
	dic-13	Q1			Q2		
		ene-14	feb-14	mar-14	abr-14	may-14	jun-14
1. Contractual Agreements							
<i>1.2 Cross Border Balancing Agreement (RTE-REE, REE-REN) and Service Provision Agreement (RTE-REN, RTE, REE)</i>							
Finalization							
Signature (after regulatory changes approval)					?	
2. Regulatory changes							
Spain							
<i>High level regulation (Circular by CNMC)</i>							
Publication of Circular CNMC with methodology for cross border balancing services					?	
<i>Revision and approval of Operational Procedures (MINETUR/CNMC)</i>							
Submission of O.Ps to MINETUR (after Public Consultation in October 2013)							
Approval by MINETUR					?	
Portugal							
<i>Manual de Procedimientos</i>							
Submission to ERSE							
Approval by ERSE					?	
3. Development and tests of IT systems							
Individual and joint IT tests							
4. Communication plan							
<i>4.1 Communication of launching of the project (NRAs, TSOs and MP)</i>							
					?	
5. Go Live							
<i>5.2 First cross border balancing energy exchanges with BALIT platform</i>							
					?	

Go-live date: Requires the previous approval of all the required regulatory changes

BALIT project -Additional details-

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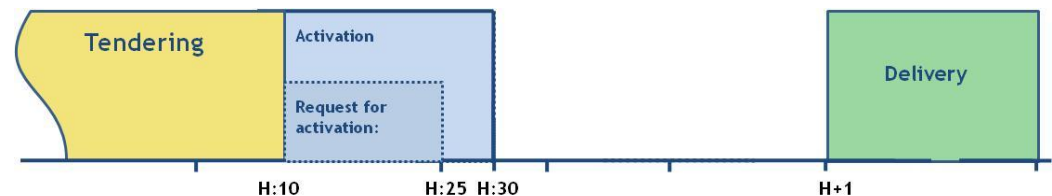
Design of Cross-Border Balancing Services: BALIT platform

- **Goal and scope:**

- Two bilateral mechanisms (IFE and IPE)
- Cross Border Balancing mechanisms will allow TSOs to:
 - offer their surplus of balancing reserves to the other TSO
 - take balancing resources when needed and economically interesting from other TSOs

- **Design basis:**

- Common IT Platform for the exchange of balancing services
 - RTE: Service provider
 - Platform: Already in use between FR-UK since 2010
- Balancing product:
 - 50 MW block
 - Activation time: 30 min
 - Firm during 1hour
- Common timetables
 - Hourly process



Methodology

- **Based on exchange of balancing energy exceeding internal reserve margins required in the respective systems**
- **The methodology for offering and activating cross border balancing bids (volume and price) will be transparent**
- **This project is considered as an important first step in the establishment of cross border balancing mechanisms in the SWE that will enable the TSOs of the SWE region to gain experience towards the future implementation of:**
 - **Regional models (multilateral TSO models allowing unshared bids), and**
 - **Long Term Target Model (Submission of all the balancing bids to the cross border balancing platform which will correspond to further integration of balancing markets)**