

ACER Decision on STSAA Methodology: Annex II (for information only)

Evaluation of responses to the public consultation on the Methodology for Short-term and Seasonal Adequacy Assessments

1 Introduction

On 6 January 2020, ENTSO-E submitted to the Agency an ENTSO-E proposal for ‘Short-term and Seasonal Adequacy Assessments Methodology in accordance with Article 8 of the Regulation (EU) 2019/941 of 5 June 2019 on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC’ (the ‘Proposal’).

In accordance with Article 8(4) of Regulation (EU) 2019/941 of the European Parliament and of the Council of 5 June 2019 on risk-preparedness in the electricity sector (the ‘Risk-Preparedness Regulation’), the Agency launched a public consultation on 6 January 2020 inviting all interested stakeholders, including Member States of the Electricity Coordination Group (ECG), national regulatory authorities, and Transmission System Operators to provide any comments on the Proposal. The closing date for comments was 12 January 2020.

2 Responses

By the end of the consultation period, the Agency received responses from three respondents.

This evaluation paper summarises all received comments and responses to them. The table below is organised according to the respective respondents, as well as a response from the Agency clarifying the extent to which their comments were taken into account.

Respondents' views	The Agency's views
ESO EAD	
<p>Stakeholder's comments were received via two emails and include two attachments:</p> <ul style="list-style-type: none"> - First email: 7 January 2020 <ul style="list-style-type: none"> - Attachment: ESO comments.pdf - Attachment: ESO PROMESA methodology description.pdf - Second email: 9 January 2020 <p>The document "ESO comments.pdf" presents the comments made by the Bulgarian TSO "ESO EAD" on the proposed STSAA methodology during ENTSO-E's public consultation and ENTSO-E's response to each of these comments.</p> <p>The document "ESO PROMESA methodology description.pdf" presents the adequacy assessment methodology, which ESO EAD has developed for national assessment of short-term and seasonal adequacy.</p>	<p>From the received documentation, the Agency can derive two main conclusions:</p> <ul style="list-style-type: none"> - criticism of ENTSO-E consultation process, as ENTSO-E seemed to have failed to fully reply to some comments made by ESO EAD, - ESO EAD is promoting a methodology, which substantially differs from the Proposal. <p>On the first main conclusion, the Agency agrees that some of the ENTSO-E's responses should have been more detailed and up to the point.</p> <p>Regarding the proposed improvements and comparison with the PROMESA methodology, the Agency notes that no concrete proposals for amendments are included in the stakeholder's comment.</p> <p>On the basis of the available information, in particular ENTSO-E's, the Agency does not identify currently concerns requiring an amendment of the Proposal.</p> <p>The Agency proposes to ENTSO-E and ESO EAD to continue investigating how ENTSO-E's STSAA methodology could benefit from the PROMESA methodology. Both ESO EAD and ENTSO-E are invited to inform the Agency of any development or the need for the Agency to join the discussion.</p>

Respondents' views	The Agency's views
EDF	
<p>In the version available for consultation, the analysis only considered market based resources. Consequently, the Loss of Load Expectation (LoLE) and the Energy Expected Not Served (EENS) do not represent neither the number of hours of disruption nor where energy is not supplied to consumers, nor the volume not served to consumers. It shows the number of hours with market stress (i.e. no sufficient resource “in the market” to serve demand within a bidding zone) and the volume not covered by the market based resources. EDF considers that a quantitative analysis including the non-market resources would be an interesting and necessary tool to estimate the short term risk and that it would facilitate the comparison between countries. To complete the assessment, it would also be interesting to publish an indicator which highlights the number of hours of LOLE after TSOs have used all tools at their disposal (strategic reserve, network reserves...). In the version submitted to ACER, LOLE and EENS seem to consider all the resources and are not limited to market based resources. It would also be of interest that ENTSO-E reports on the remaining margin in each area that has no LOLE (before and after relying on emergency measures).</p>	<p>The Agency agrees that the inclusion of non-market based assessments can provide additional value to an adequacy assessment, namely where LOLE and EENS play a role in future investment decisions. As the latter is more in the domain of the European Resource Adequacy Assessment (ERAA), the Agency propose EDF to direct the comment to ENTSO-E’s consultation on the ERAA methodology. For the STSAA methodology, the inclusion of non-market resources may play an informative role and enrich the outputs of the pertaining adequacy studies. According to our understanding, sensitivities including the role of non-market measures for seasonal adequacy assessments are already integrated in Article 3(8)(e) of the Proposal.</p> <p>While the Proposal is not prescriptive to the same extent for short-term assessments, the Agency observes that, as referred to in Article 5(4) of the Proposal, month-ahead assessments can be implemented as a partial re-run of seasonal adequacy assessments: accordingly, they can include sensitivities to analyse the role of non-market measures to mitigate adequacy concerns. For other short-term assessments (namely week-ahead and day-ahead), Article 1(5) of the Proposal allows relevant bodies performing the adequacy assessments to go beyond its requirements. Considering this and given the limited amount of time for the approval/amendment procedure, the Agency will monitor the implementation process of the STSAA methodology in future adequacy assessments, taking into consideration the possibility to request updates and improvements of the STSAA methodology, in line with Article 8(5) of the Risk-Preparedness Regulation.</p>

Respondents' views	The Agency's views
<p>EDF wonders how the cross border capacity is estimated. EDF understands that the Reliability Availability Margin is mainly used for the flow-based domain, but not always for NTC calculation. EDF contests the introduction of politically-oriented measures such as “minRAM”, when those measures lead to cross-zonal exchange capacities that do not reflect the capability of the infrastructure to transfer energy from one bidding zone to the others. To avoid such issues, EDF recommends using a forecasted RAM value, without the application of the political threshold.</p>	<p>The Agency thus sees no need to amend the Proposal in this respect.</p> <p>Cross-zonal capacity used for any specific adequacy study should reflect the (forecast) implemented capacity calculation methodologies. As ENTSO-E points out in Article 7 of the Proposal, “It shall consider the most recent available information...”, which in our opinion means that actual capacities (which have been validated by TSOs to ensure operational security) will be used in the actual assessments. The Agency observes that minimum levels of available capacity for cross-zonal trade shall comply with the requirements set in Article 16(8) of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity¹.</p> <p>The Agency thus sees no need to amend the Proposal in this respect.</p>
<p>The geographical perimeter of the Expected Energy Not Supplied (EENS) and of the Loss of Load Expectation (LoLE) criteria should be specified. A smaller granularity than the bidding zone or country level could of interest to highlight a local issue and inform the market of potential limitations that may induce redispatching and/or countertrading actions during stress events.</p>	<p>Although the Agency agrees there might be added value in higher spatial granularity, this applies mostly to national assessments and less to pan-European assessments. Since the market treats each bidding zone as a “copper plate”, internal limitations do not exist from the market perspective, but only from the operational perspective. The latter is in the domain of each TSO to oversee and control. The Proposal does not impede national assessments going beyond the pan-European one, meaning that each TSO can include greater spatial granularity where deemed necessary.</p> <p>The Agency thus sees no need to amend the Proposal in this respect</p>

¹ OJ L158, 14.6.2019, p. 54.

Respondents' views	The Agency's views
Enel SpA	
<p>Enel SpA main concern remains on the first annex, fourth chapter called “supply” 22nd paragraph that we recommend to amend as follows:</p> <p>“Supply shall be considered as all available generation units and storage units in the assessed system, including capacity connected to distribution grid (DER) that are supposed to supply energy to the transmission grid, and expected available imports from non-explicitly modelled neighbouring countries.”</p> <p>Decarbonisation and technological advances are transforming our electricity system, driving growth in distributed energy sources and increasingly contributing to the energy mix. These flexible and decentralized resources will be located at lower and medium voltage levels, having an impact on operations and transmission planning. We consider relevant the fact that the “one-way” power-flow paradigm is changing rapidly to a “two-way” trend, and should be properly considered at short-term and seasonal adequacy assessments.</p>	<p>The Agency agrees with the need to include all sources of electrical energy, including the ones connected to the distribution networks, to be included in the adequacy assessment. However, since the definition of “supply” proposed by ENTSO-E already includes “...all available generation units...”: this cannot be understood as excluding generation units connected to the distribution networks.</p> <p>The Agency thus sees no need to amend the Proposal in this respect.</p>

3 List of respondents

Organisation	Type
ESO EAD	TSO
EDF	Energy company
Enel SpA	Energy company