



# EirGrid Group Customer Conference 2012

25th October 2012

*Delivering the Power System of tomorrow*



# Market Integration

Rodney Doyle

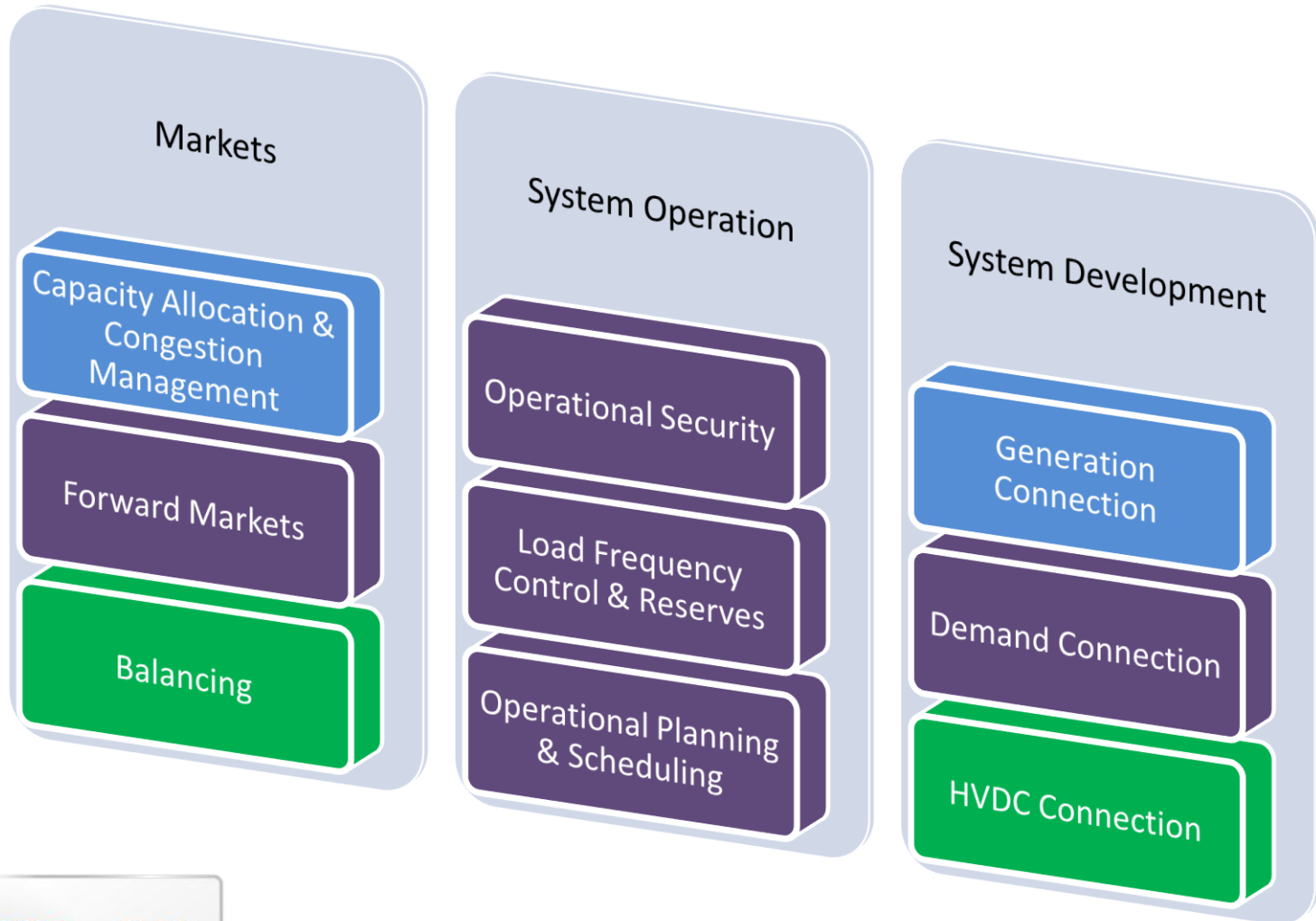


# Agenda

- The Network Codes Progress
- Our Role
- SEM and the Internal Energy Market(IEM)



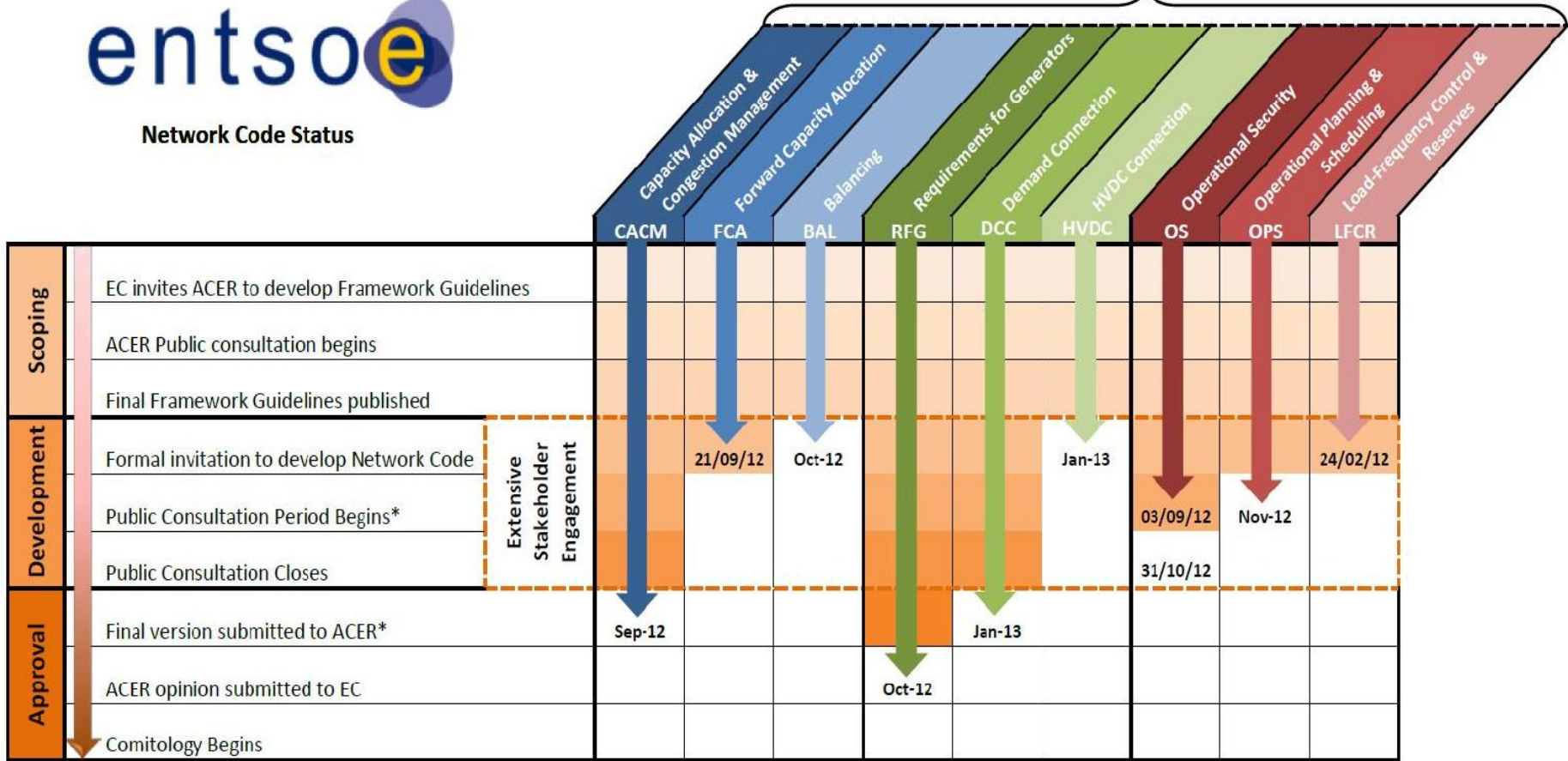
# Network Codes





## Network Code Status

### Delivery of the Third Package

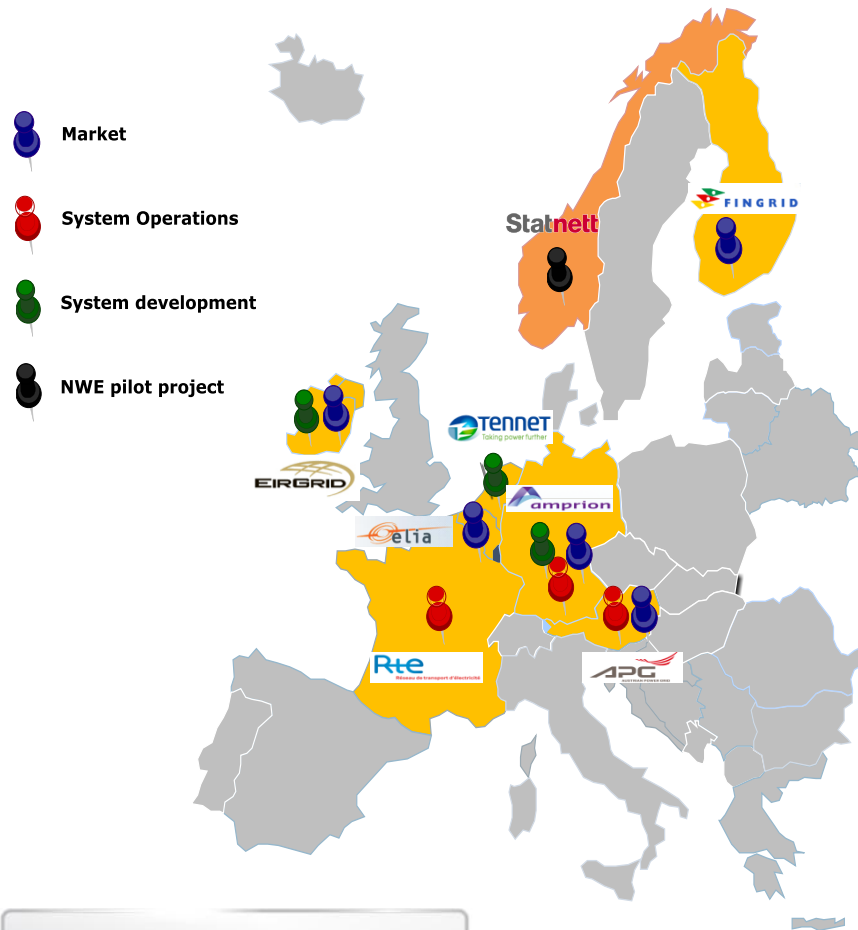


**Disclaimer:** The purpose of this chart is to provide overall transparency of ENTSO-E's network code development. All forward-looking dates are provisional until confirmed. Stakeholders will be informed and invited to all confirmed events by means of official communication

\* In accordance with ENTSO-E's Network Code Development Process, an Internal re/drafting and approval is done before the launch of the formal public consultation and submission of the code to ACER.



# EirGrid/SONI – leading the way on Network Codes

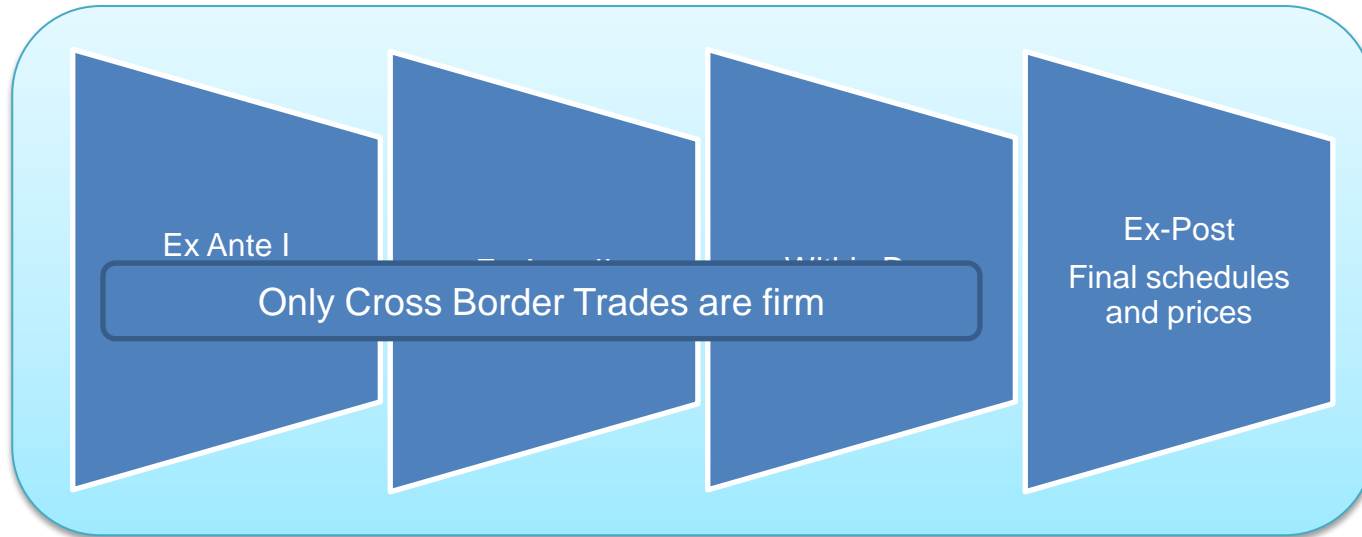


## EirGrid/SONI at the centre of IEM developments.

- 41 TSOs from 34 countries
  - Statnett leading the work on NWE
  - 7 TSOs leading the work on Network Codes
- 9 Network Codes currently prioritised for delivery of IEM by 2014
- EirGrid/SONI is fully involved in all 9 Network Codes
- EirGrid/SONI is leading the work in 2 of the 9 Network Codes under development (i.e. FCA & DCC).



# Current SEM Design



- Day Ahead Ex-Ante – indicative market schedules and prices, fixed cross border trade volumes for capacity holders only;
- Day Ahead Ex-Ante II - indicative schedules and prices, allocation of unused capacity, use it or lose it applies;
- Within Day - indicative schedules and prices for second half of trading day, allocation of unused capacity, use it or lose it applies;
- Ex-Post – firm market schedules and prices for whole trading day for all

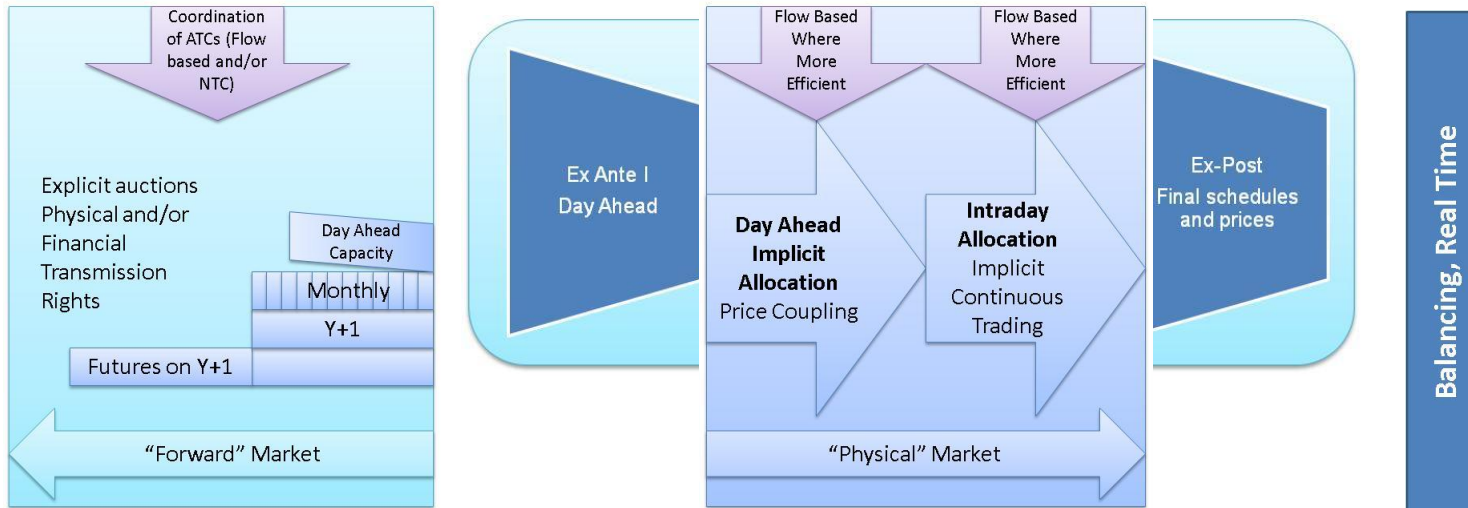
# Current SEM Design



➤ Considered all together, this is the current make up of the SEM;



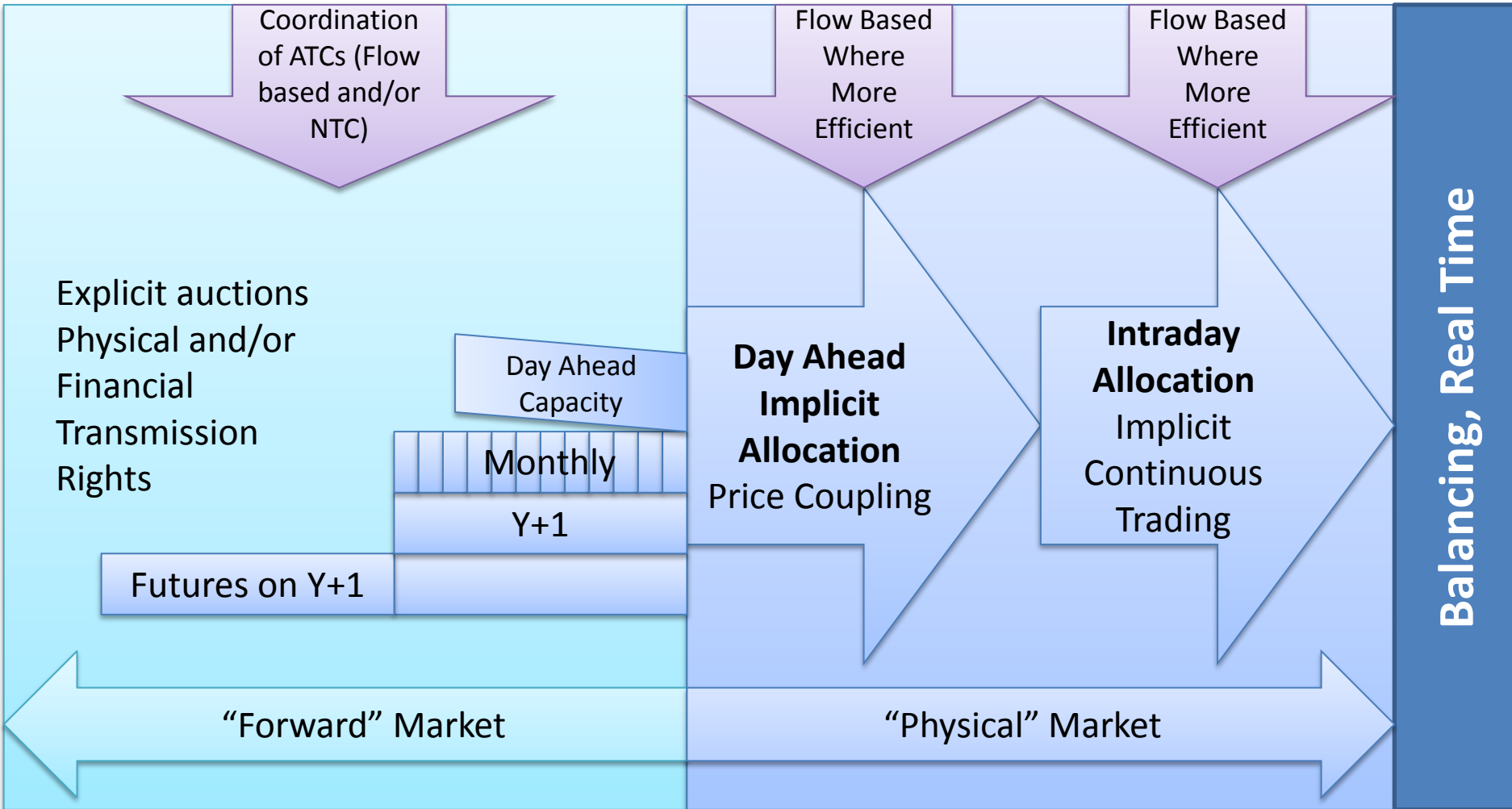
# Current SEM Design



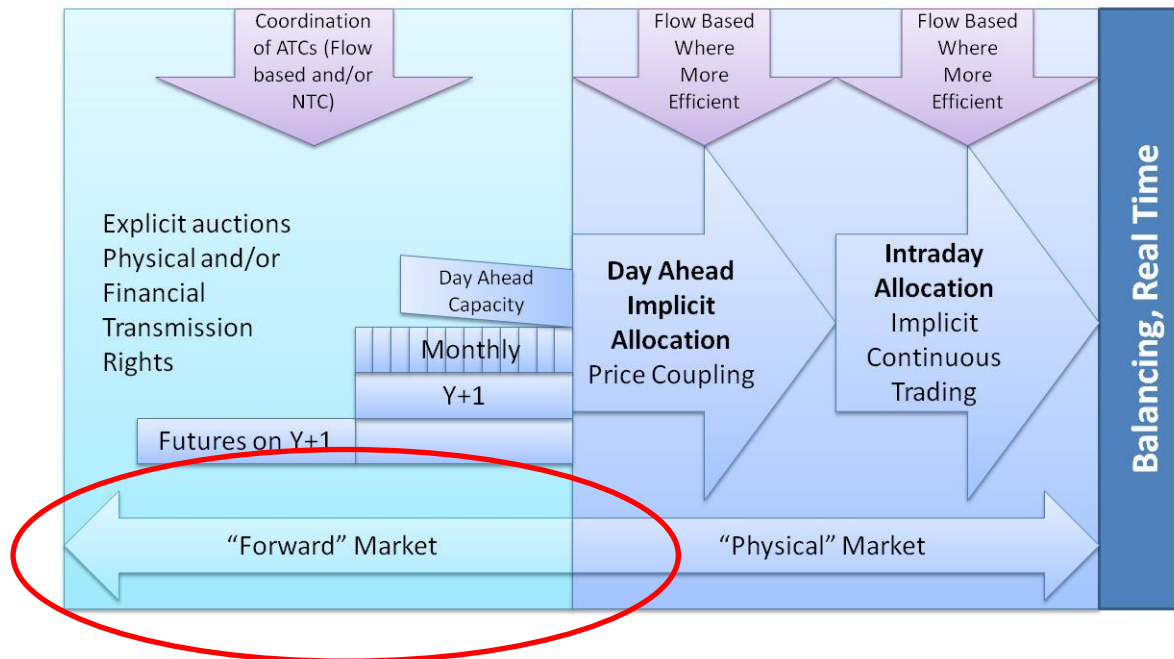
- Third Energy Package mandates change;
- Framework Guidelines and Network Codes setting requirements;
- Forwards market for cross border capacity rights;
- Harmonised balancing arrangements;
- Day ahead coupling and continuous intraday trading;



# EU Target Model

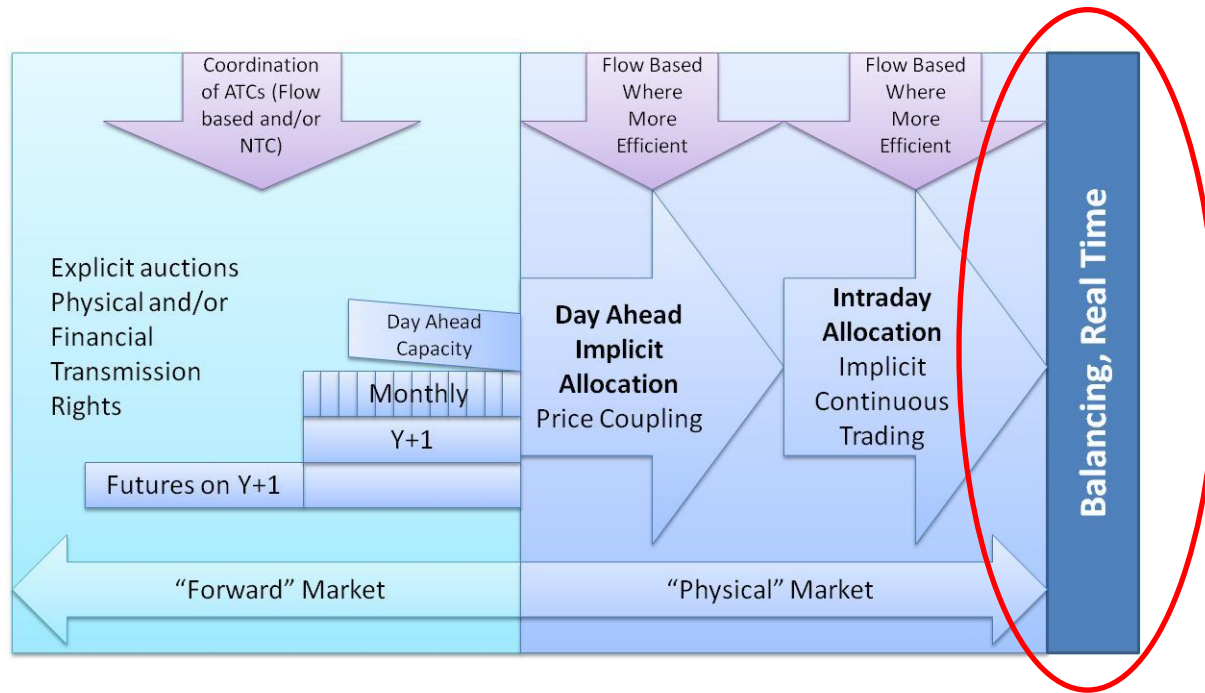


# EU Target Model



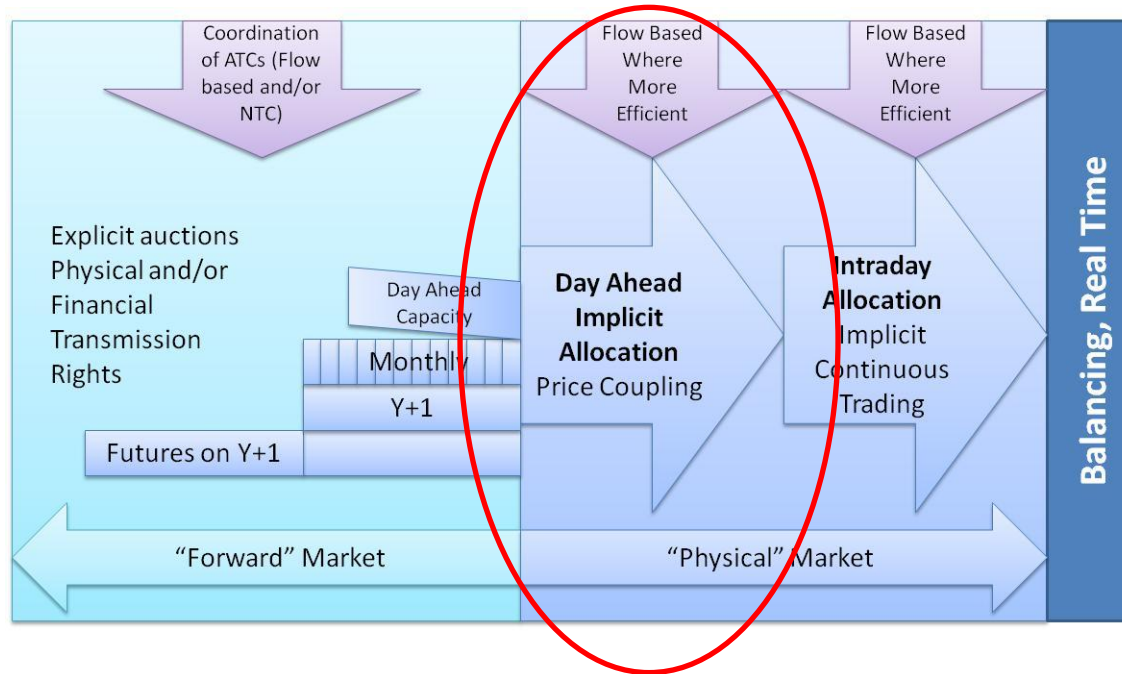
- Forward market covered in the FG CACM;
- A separate Network Code to be drafted to cover Forwards;
- As noted, EirGrid is convenor of the drafting team on the Forwards Network Code;
- Key role in setting direction and managing the output of the drafting team

# EU Target Model



- FG on Balancing issued for consultation April – June 2012;
- Decision issued September 18th;
- ENTSO-E requested to draft Network Code on September 21<sup>st</sup>;
- As noted, EirGrid is a member of the drafting team for the Network Code on Balancing;

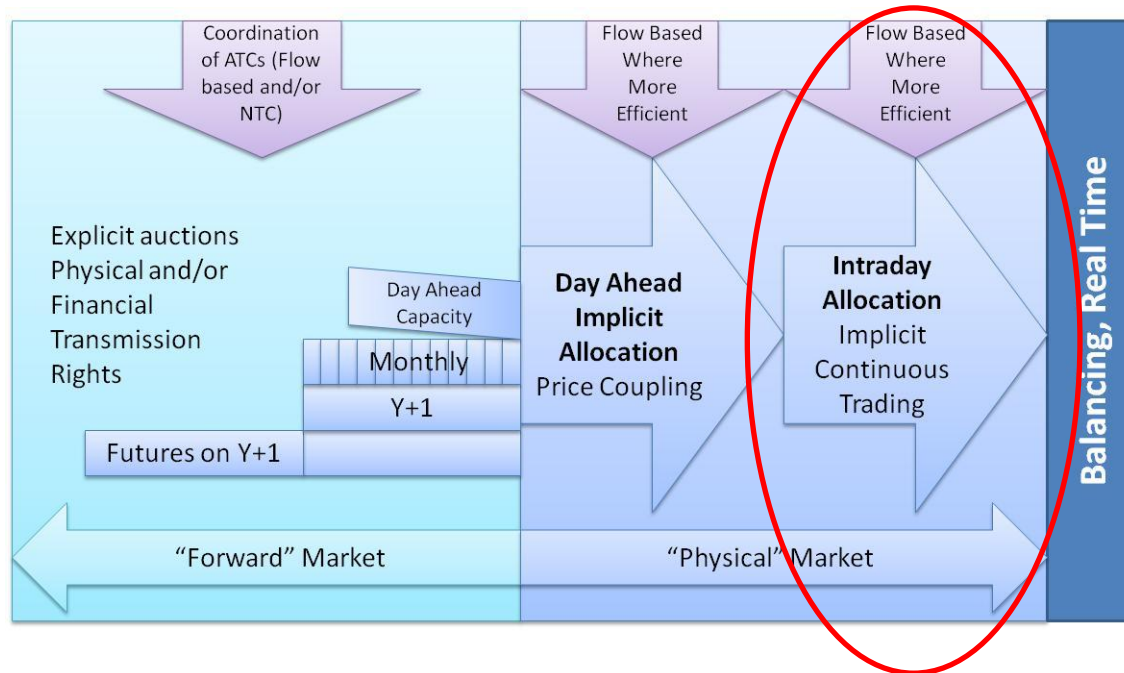
# EU Target Model



- Market Coupling requirements have been clear for some time;
- Coupling is in place in a number of countries in Europe already;
- As noted, EirGrid is a full member on the drafting team for the CACM Network Code;
- SEMO is a member of Europex and PCR (Price Coupling for Regions) which is developing the day ahead algorithm



# EU Target Model



- Intraday model is less clear;
- Use of Shared Order Book and Capacity Management Module;
- As noted, EirGrid is a full member on the drafting team for the CACM Network Code;

# Conclusions

- Change is inevitable
- Target Model details and implementation still being worked on by ENTSO-E and ACER
- All markets need to be settled, credit managed etc, we know how
- 2016 is not far away in market development terms
- We have done it before

