



# Electricity Target Model

## Getting to 2014

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Internal Market I: Networks and Regional Initiatives

## Outline

- ***About the electricity Target Model***
- ***Capacity calculation***
- ***Day ahead market coupling***
- ***Intraday***
- ***Electricity Regional Initiatives***

# A strong momentum...

*"The internal market should be completed by 2014 so as to allow gas and electricity to flow freely."*

*European Council conclusion of February 4, 2011*

# The Target Model

“Informal” reference model for developing the Internal Electricity Market through Comitology Guidelines, Framework Guidelines, Network Codes and other instruments

# The Target model

Main features of the target model

Focuses on:

- Capacity calculation

- Capacity allocation and congestion management

- Balancing

- Governance



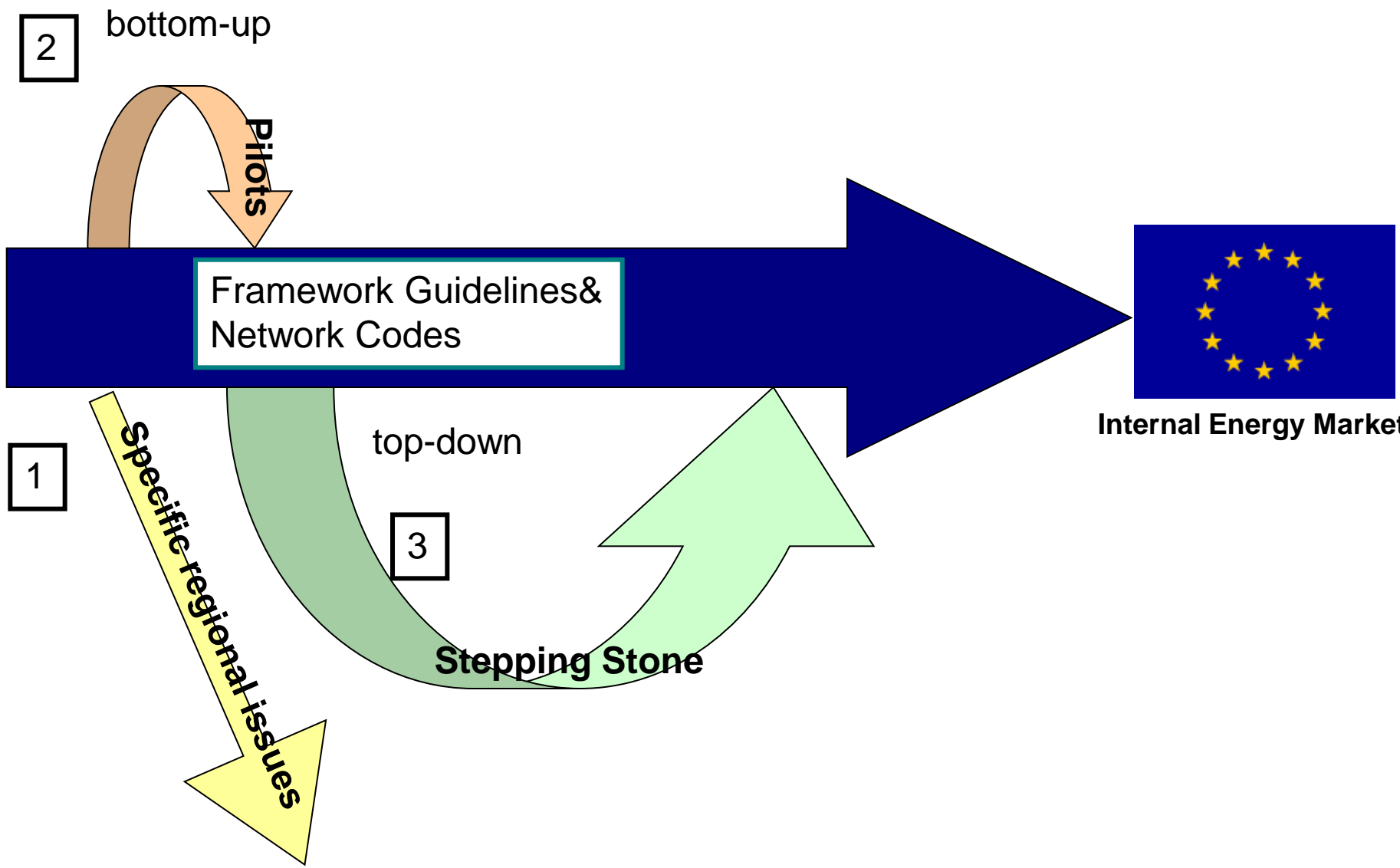
## Internal Electricity Market

**Capacity  
calculation  
and  
Allocation**

**Day-Ahead  
Capacity  
Allocation**

**Intraday  
Capacity  
Allocation**

**Balancing  
Markets**



# Capacity calculation

- *Two models Available transfer Capacity (ATC) and Flow based (FB)*



# Day ahead market coupling

- **Optimising the use of available – Implicit auctions**

*Focus on the CACM target models implementation:*

*The choice of a single algorithm that meets the TSOs' requirements in terms of efficient allocation and can be approved by every Member State, is one of the most important.*

# Intraday

*allows for adjustments after the closure of the day-ahead market until gate closure – typically one hour before real closure*

# Electricity Regional Initiatives

## **Why?**

More **project-oriented**, with newly designated **project lead regulators**

- Focus on the CACM target model implementation: **4 key priority projects**

Stronger **Pan-European** dimension, with the elaboration of ambitious but realistic **cross-regional roadmaps as the main reference to the market integration process,**

# Electricity Regional Initiatives

## How they work

The Regional Initiatives as a **complementary process** to the development of FGs and NCs, enabling

- » **Pilot testing of provisions from draft Framework Guidelines and Network Codes**
- » **Early implementation of Network Codes**
- » **Facilitating implementation of other EU regulation, e.g. 3<sup>rd</sup> Package transparency requirements, GRIPs, EIP provisions**

# Electricity Regional Initiatives





European  
Commission

